

*Bill No. 1-22-05-06 (as amended)*

ORDINANCE NO. S-86-82

An Ordinance concerning the refunding of an indebtedness of the municipal waterworks incurred for the acquisition of water facilities by the municipal waterworks of the City of Fort Wayne, authorizing the issuance of revenue bonds to provide for the cost thereof, matters connected therewith and repealing ordinances in conflict therewith.

WHEREAS, the City of Fort Wayne is the owner of and operates an unencumbered waterworks system furnishing the public water supply to said City and its inhabitants; and

WHEREAS, the Common Council of the City of Fort Wayne, having the management of said waterworks, determined that said waterworks should acquire certain water facilities in order to furnish better service to the inhabitants of the City; and

WHEREAS, the City approved said acquisition in Ordinance No. S-115-81 and said acquisition was approved by Order of the Public Service Commission of the State of Indiana, dated July 15, 1981 in Cause No. 36500;

WHEREAS, the City is indebted for said acquisition in the amount of \$1,440,000 and desires to refund that indebtedness; and

WHEREAS, the cost of said refunding will be in the approximate amount of One Million, Four Hundred Forty Thousand Dollars (\$1,440,000), including all incidental expenses necessary to be incurred in connection therewith and in connection with the issuance of bonds on account thereof; and

WHEREAS, the Common Council now finds that said indebtedness is subject to prepayment at any time and that it would be advantageous to the City to refund said indebtedness; and

WHEREAS, the Common Council of the City of Fort Wayne finds that funds required for said refunding should be provided, subject to the jurisdiction of the Public Service Commission, by the issuance and sale of revenue bonds payable solely out of the revenues of said waterworks and not constituting a general obligation of the City; and

WHEREAS, the City has outstanding certain Waterworks Revenue Bonds of 1967 (the "1967 Bonds") in the amount of Two

Million Four Hundred Five Thousand Dollars (\$2,405,000), bearing interest at the rate of five percent (5%) per annum and maturing annually over a period ending January 1, 2000, which bonds constitute a first charge upon a portion of the gross revenues of the waterworks and are on a parity with the hereinafter described 1968 Bonds and the hereinafter described 1978 Bonds; and

WHEREAS, the City also has outstanding certain Waterworks Revenue Bonds of 1968 (the "1968 Bonds") in the amount of Two Million Six Hundred Five Thousand Dollars (\$2,605,000), bearing interest at the rates of five and one half percent (5 1/2%) or five and four tenths percent (5.4%) per annum, depending on the maturities, and maturing annually over a period ending January 1, 2000, which bonds constitute a first charge upon a portion of the gross revenues of the waterworks and are on a parity with the 1967 Bonds and the hereinafter described 1978 Bonds; and

WHEREAS, the City also has outstanding certain Waterworks Revenue Bonds of 1978 (the "1978 Bonds") in the amount of Seventeen Million Fifteen Thousand Dollars (\$17,015,000), bearing interest at the rates of six and three quarters percent (6 3/4%) per annum, six percent (6%) per annum and six and one half percent (6 1/2%) per annum, depending on the maturities, and maturing annually over a period ending January 1, 2003, which bonds constitute a first charge upon a portion of the gross revenues of the waterworks and are on a parity with the 1967 Bonds and the 1968 Bonds; and

WHEREAS, the ordinances authorizing the issuance of the abovementioned now outstanding bonds, provide for the issuance of additional bonds on a parity with the outstanding bonds provided certain parity tests are met, but the refunding bonds to be issued hereunder do not meet said requirements and therefore must be junior and subordinate to said outstanding bonds; and

WHEREAS, the Common Council now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of revenue bonds to provide the necessary funds to be applied on the cost of refunding said indebtedness have been complied with in accordance with the provisions of the governing statutes; now therefore,

BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF FORT WAYNE, INDIANA:

Section 1. That the City of Fort Wayne (hereinafter sometimes referred to as the "City"), being the owner of and engaged in operating an unencumbered waterworks system supplying the City and its inhabitants with water, now provide for refunding a short term indebtedness, incurred by the City to provide funds to pay for an acquisition of water facilities by the municipal waterworks, from the revenues and receipts of such waterworks pursuant to and in the manner prescribed in I.C. 19-3-17 and I.C. 5-1-6 and all acts amendatory thereof or supplemental thereto (sometimes hereinafter referred to as the "Acts"); provided, however, that the additional revenue bonds authorized by this ordinance shall be junior and subordinate in all respects to the 1967 Bonds, the 1968 Bonds and the 1978 Bonds and none of the provisions of this ordinance shall be so construed as to affect the rights of the holders of said outstanding bonds. The terms "waterworks," "water system," "system," and "waterworks system," where used in this ordinance shall be construed to mean and include the existing waterworks system owned by the City of Fort Wayne, and all extensions, additions and improvements thereto and replacements thereof subsequently constructed or acquired.

Section 2. The proper officers of the City are hereby authorized to proceed with the refunding of the outstanding indebtedness, in conformity with the provisions of this ordinance and of said Acts, subject, however, to the approval of the Public Service Commission for the issuance of the required amount of revenue bonds and as to other matters. The proper

officers of the City are hereby authorized to file or cause to be filed a proper petition or petitions with the Public Service Commission for the purpose of obtaining the required approval of said Commission. The principal and interest of the bonds issued on account of such refunding shall be paid solely and exclusively from the revenues of said waterworks system and shall not constitute a general obligation of the City. The income and revenues hereinafter referred to are currently being set aside into a fund pursuant to the ordinances authorizing the issuance of the 1967 Bonds, the 1968 Bonds and the 1978 Bonds.

Section 3. Beginning as of the date of issuance of the bonds herein authorized, the income and revenues of the existing waterworks, together with the income and revenues of all extensions, additions, improvements thereto and replacements thereof made subsequently, shall continue to be set aside into said separate and special fund, and shall be used and applied in the maintenance and operation thereof, in establishing a depreciation account, and for payment of the bonds and the interest thereon which are payable from the revenues of the waterworks. From and after the date on which the new schedule of water rates to be adopted becomes effective, the proportion of the gross revenues of said waterworks that shall be paid into the several accounts of said special fund, as provided by said Acts, is hereby fixed and determined as follows:

(a) Operation and Maintenance Account. Sixty-one percent (61%) of the gross revenues of said waterworks shall be paid into the "Operation and Maintenance Account," and shall be used to pay the necessary cost of the reasonable and proper operation and maintenance of the waterworks, including any taxes required to be paid. The sum so set aside for operation and maintenance shall be applied exclusively to that purpose until a surplus shall have been accumulated in the Operation and Maintenance Account which shall be equal to the cost of maintaining and operating the waterworks during the remainder of

the calendar, operating or fiscal year then current and the cost of maintaining and operating the waterworks during the calendar, operating or fiscal year then next ensuing. Any excess over such surplus may be transferred by the Common Council to either the Depreciation Account or the Bond and Interest Redemption Account.

(b) Depreciation Account. Ten percent (10%) of the gross revenues of said waterworks shall be paid into the "Depreciation Account," and shall be expended in making good depreciation in the waterworks, or in new construction, extensions or additions to the property of the waterworks. Any accumulations in such Depreciation Account not required for immediate use may be invested in direct obligations of the United States Government, and if so invested the income from the investment shall accrue to the Depreciation Account. Said account shall not be used for any purpose other than as herein provided.

(c) Bond and Interest Redemption Account. Twenty-nine percent (29%) of the gross revenues of the waterworks shall, as such revenues are received, be set apart and paid into a special account to be identified as the "Bond and Interest Redemption Account." The funds in said account shall be used in the following order:

(1) solely for the purpose of paying the interest on and principal of the 1967 Bonds, the 1968 Bonds and the 1978 Bonds which, by their terms, are payable from the revenues of the waterworks and any bonds hereafter issued ranking on a parity therewith, to the extent required for that purpose; and

(2) the Bonds issued pursuant to the provisions of this ordinance, which by their terms, are payable from the revenues of the waterworks and are junior and subordinate to the 1967 Bonds, the 1968 Bonds and the 1978 Bonds, and any bonds hereafter issued ranking on a parity therewith, to the extent required for that purpose.

If and when a surplus shall be created in said Bond and Interest Redemption Account which shall be in excess of the

interest on and principal of the bonds, plus ten percent (10%) of the principal and interest payable during the then current calendar, operating or fiscal year, together with the amount of interest on and principal of all bonds which will become due and payable during the calendar, operating or fiscal year then next ensuing, then the Common Council may transfer any excess over such surplus to either the Operation and Maintenance Account or to the Depreciation Account. The Common Council may also direct that any such excess over such surplus shall be used in the purchase of outstanding bonds. No further payments need be made into the Bond and Interest Redemption Account when the funds therein equal or exceed the amount of the principal of the bonds then outstanding and interest thereon to the maturity date thereof. Funds necessary to pay the principal of and interest on outstanding bonds shall be remitted promptly to the paying agent bank or banks therefor on or prior to the due dates for the payment of interest and principal.

All of the funds of said several accounts shall be deposited in lawful depositories of the City, and shall be continuously held, secured or invested as provided by the laws of Indiana relating to the depositing, securing, holding or investing of public funds. The funds in said Bond and Interest Redemption Account shall be kept in a separate bank account apart from all other bank accounts of the City. In no event shall any of the revenues of said waterworks be transferred or used for any purpose not authorized by this ordinance and no transfers to the general fund or any similar fund of the City shall be made so long as any of the bonds issued pursuant to the provisions of this ordinance shall be outstanding.

The City covenants that it will not make any investment of moneys in said respective Accounts in any manner, or take or fail to take any other action, which would result in the bonds constituting arbitrage bonds within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended, or the

Treasury Regulations or any Revenue Rulings promulgated thereunder, or as determined by any court of competent jurisdiction.

Section 4. For the purpose of procuring funds with which to pay the cost of said refunding and issuance expenses, the City of Fort Wayne shall issue its revenue bonds under and pursuant to the provisions of this ordinance and said Acts, which bonds shall be payable only out of of the special Bond and Interest Redemption Account herein provided for, subject to the prior servicing of the 1967 Bonds, the 1968 Bonds, and the 1978 Bonds in accordance with the respective terms thereof, and shall be designated as "Junior Waterworks Refunding Revenue Bonds of 1982." Said Junior Waterworks Refunding Revenue Bonds of 1982 shall be in a principal amount not exceeding One Million, Four Hundred Forty Thousand Dollars (\$1,440,000.00), in the denomination of Five Thousand Dollars (\$5,000.00) each, numbered consecutively from 1 to 288, inclusive, dated as of the first day of the month in which said bonds are sold, and shall bear interest at a rate or rates not exceeding fourteen percent (14%) per annum, the exact rate or rates to be determined by bidding, which interest shall be payable semi-annually on January 1 and July 1 in each year, beginning on January 1, 1983, and shall be evidenced by coupons attached to said bonds. Both bonds and interest coupons shall be payable at the Indiana Bank and Trust Company of Fort Wayne, in the City of Fort Wayne, Indiana, or, at the option of the holder, at the American National Bank and Trust Company of Chicago, in the City of Chicago, Illinois, or at the Manufacturer's Hanover Trust Company in the Borough of Manhattan, City and State of New York, in lawful money of the United States of America, and said bonds shall mature serially on January 1 in the amounts as follows:

<u>Years</u>	<u>Amounts</u>	<u>Years</u>	<u>Amounts</u>	<u>Years</u>	<u>Amounts</u>
1984	\$ 20,000	1990	\$40,000	1996	\$ 90,000
1985	20,000	1991	45,000	1997	100,000
1986	25,000	1992	50,000	1998	115,000
1987	25,000	1993	60,000	1999	130,000
1988	30,000	1994	65,000	2000	150,000
1989	35,000	1995	75,000	2001	170,000
				2002	195,000



The bonds of this issue shall not be redeemable prior to maturity.

Section 5. Said bonds shall be executed in the name of the City of Fort Wayne by the manual or facsimile signature of the Mayor, countersigned by the manual or facsimile signature of the City Controller and shall be attested manually or by facsimile signature by the Clerk, who shall affix, imprint or impress by any means the seal of the City to each of said bonds. The interest coupons attached to said bonds shall be executed by placing thereon the facsimile signatures of the Mayor and the City Controller and said officials, by the signing of said bonds, shall acknowledge as and for their proper signatures the facsimile signatures appearing on said coupons. In case any officer whose signature appears on the bonds and coupons shall cease to be such officer before the delivery of such bonds, his signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery. Said bonds may, where appropriate, bear the manual or facsimile signatures of validly appointed Deputy officials.

Said bonds shall be negotiable by delivery unless registered. Upon presentation of the bonds at the office of the City Controller in the City of Fort Wayne, said City Controller shall register said bonds as to the principal thereof, without charge or expense to the holder. Such registry shall be noted on the bonds, after which no transfer thereof will be valid unless made by the registered owner in person or by his attorney duly authorized, and similarly noted on the bonds, but said bonds may be discharged from registry by being in like manner retransferred to bearer, after which they shall be transferable by delivery, but may again be registered as before. The registration of any bond shall not affect the negotiability of the interest coupons attached thereto, but such coupons shall continue to pass by delivery merely and shall remain payable to bearer.



Section 6. The form and tenor of said bonds, the interest coupons to be attached thereto, and the form of registry endorsement thereon, shall be substantially as follows, to-wit:

UNITED STATES OF AMERICA

State of Indiana

County of Allen

No. \_\_\_\_\_

\$5,000

CITY OF FORT WAYNE  
JUNIOR WATERWORKS REFUNDING REVENUE BONDS OF 1982

The City of Fort Wayne, in Allen County, State of Indiana, for value received, hereby promises to pay to bearer, or if this bond be registered then to the registered holder hereof, solely out of the special revenue fund hereinafter referred to, the principal amount of

FIVE THOUSAND DOLLARS

on the first day of January, \_\_\_\_\_, and to pay interest thereon from the date hereof until the principal is paid at the rate of \_\_\_\_\_ percent ('\_\_\_\_\_%') per annum, payable semi-annually on the first day of January and July in each year, beginning January 1, 1983, upon presentation and surrender of the annexed coupons as they severally become due.

Both principal and interest of this bond are payable in lawful money of the United States of America at the Indiana Bank and Trust Company of Fort Wayne, in the City of Fort Wayne, Indiana, or at the option of the holder, at the American National Bank and Trust Company of Chicago, in the City of Chicago, Illinois, or at the Manufacturer's Hanover Trust Company in the Borough of Manhattan, City and State of New York.

This bond is one of an authorized issue of Two Hundred Eighty-eight (288) bonds of the City of Fort Wayne, of like date, denomination, tenor and effect, except as to numbering, interest rates and dates of maturity, in the total amount of One Million, Four Hundred Forty Thousand Dollars (\$1,440,000), numbered consecutively from 1 to 288, inclusive, issued for the purpose of providing funds to refund a short term indebtedness incurred to pay the cost of acquisition of water facilities by the municipally owned waterworks of said City pursuant to an ordinance passed by the Common Council of said City on \_\_\_\_\_, 1982, entitled "An Ordinance concerning the refunding of an indebtedness of the municipal waterworks incurred for the acquisition of water facilities by the municipal waterworks of the City of Fort Wayne, authorizing the issuance of revenue bonds to provide for the cost thereof, matters connected therewith and repealing ordinances in conflict therewith," and in strict compliance with the provisions of the governing statutes, particularly I.C. 19-3-17 and I.C. 5-1-6, and all Acts amendatory thereof or supplemental thereto.

The principal of and interest on this bond, and all other bonds of said issue, together with any bonds hereafter issued ranking on a parity therewith, are equally and ratably secured by twenty-nine percent

(29%) of the gross income and revenues of said waterworks as the same now exist or may hereafter be improved and extended, which percentage of such income and revenues is to be deposited in a special fund to be known as the "Bond and Interest Redemption Account," which has heretofore been duly created, all subject, however, to the prior payment in accordance with the terms thereof of the interest on and principal of certain now outstanding Waterworks Revenue Bonds of 1967, bearing interest at the rate of five percent (5%) per annum, issued under date of November 1, 1967, now outstanding in the principal amount of Two Million Four Hundred Five Thousand Dollars (\$2,405,000) and maturing on January 1, of each year to and including January 1, 2000, and constituting a first charge upon the revenues allocated to said Bond and Interest Redemption Account, and further, subject to the prior payment in accordance with the terms thereof of the interest on and principal of certain now outstanding Waterworks Revenue Bonds of 1968, bearing interest at the rates of five and one-half percent (5-1/2%) per annum, and five and four-tenths percent (5.4%) per annum, depending on the maturities, issued under date of December 1, 1968, now outstanding in the principal amount of Two Million Six Hundred Five Thousand Dollars (\$2,605,000) and maturing on January 1 of each year to and including January 1, 2000, and also constituting a first charge upon the revenues allocated to said Bond and Interest Redemption Account which ranks on a parity with the Waterworks Revenue Bonds of 1967, and further, subject to the prior payment in accordance with the terms thereof of the interest on and principal of certain now outstanding Waterworks Revenue Bonds of 1978, bearing interest at the rates of six and three-quarters percent (6-3/4%) per annum, six percent (6%) per annum, and six and one half percent (6-1/2%) per annum, depending on the maturities issued under the date of December 1, 1978, now outstanding in the principal amount of Seventeen Million Fifteen Thousand Dollars (\$17,015,000) and maturing on January 1 of each year to and including January 1, 2003 and also constituting a first charge upon the revenues allocated to said Bond and Interest Redemption Account which ranks on a parity with the Waterworks Revenue Bonds of 1967 and the Waterworks Revenue Bonds of 1968. The City shall not be obligated to pay said bonds or the interest thereof except from said special fund, and neither this bond nor the issue of which it is a part shall in any respect constitute a corporate indebtedness of the City within the provisions and limitations of the constitution of the State of Indiana.

The bonds of this issue are not redeemable.

The City covenants that it will, to the fullest extent permitted by law, fix, maintain and collect an aggregate of rates and charges for the services rendered by said waterworks which will be sufficient to pay all costs of operation and maintenance of said waterworks, to provide a proper and adequate depreciation account, and to create and maintain the sinking fund required for the payment of all bonds which by their terms are payable from the revenues of the waterworks, and that it will in all other respects faithfully comply with all of the provisions of the governing statutes pursuant to which this bond is issued. In the event the City shall make any default in the payment of the principal of or interest on this

bond, the holder hereof shall have all of the rights and remedies provided by the governing statutes, including the right to compel the collection of sufficient rates and charges to provide for the payment of this bond and the interest hereon.

This bond and all other bonds of said issue shall in the hands of bona fide holders, have all of the qualities of negotiable instruments under the laws of the State of Indiana. This bond may be registered in the name of the owner, in the manner and with the effect provided in said ordinance, but unless registered shall pass by delivery. The interest coupons attached hereto shall at all times pass by delivery. It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the execution, issuance and delivery of this bond have been done and performed in regular and due form as provided by law.

IN WITNESS WHEREOF, the City of Fort Wayne, in Allen County, State of Indiana, has caused this bond to be executed in its corporate name by the manual or facsimile signature of the duly elected, qualified and acting Mayor, countersigned by the manual or facsimile signature of its duly appointed City Controller, its corporate seal to be hereunto affixed, imprinted or impressed by any means and attested manually or by facsimile by its duly elected, qualified and acting Clerk-Treasurer, and the interest coupons hereto attached to be executed by placing thereon the facsimile signatures of said Mayor and City Controller, all as of the first day of \_\_\_\_\_, 1982.

CITY OF FORT WAYNE

By: \_\_\_\_\_

Mayor

Countersigned: \_\_\_\_\_

City Controller

Attest: \_\_\_\_\_

Clerk-Treasurer

(Interest Coupon)

Coupon No. \_\_\_\_\_ \$ \_\_\_\_\_

On \_\_\_\_\_ 1, \_\_\_\_\_, the City of Fort Wayne, Indiana, will pay to bearer, at the Indiana Bank and Trust Company of Fort Wayne, in the City of Fort Wayne, Indiana, or at the option of the holder, at the American National Bank and Trust Company of Chicago, in the City of Chicago, Illinois, or at the Manufacturer's Hanover Trust Company in the Borough of Manhattan, City and State of New York, out of its Waterworks Bond and Interest Redemption Account, the amount shown hereon in lawful money of the United States of America, being the interest then due on its

Junior Waterworks Refunding Revenue Bonds of 1982,  
dated \_\_\_\_\_ 1, 1981, No. \_\_\_\_\_.

CITY OF FORT WAYNE

By: \_\_\_\_\_ (facsimile)  
Mayor

\_\_\_\_\_  
City Controller

REGISTRATION ENDORSEMENT

This bond can be registered only at the office of the City Controller of the City of Fort Wayne, Indiana. No writing hereon except by the City Controller.

Date of Registry	In Whose Name Registered	City Controller
_____	_____	_____
_____	_____	_____
_____	_____	_____

Section 7. The City Controller is hereby authorized and directed to have said bonds and coupons prepared, and the Mayor, City Controller and Clerk are hereby authorized and directed to execute said bonds and the coupons to be attached thereto in the form and manner hereinbefore provided. The City Controller is hereby authorized to sell said bonds at public sale. The City Controller shall cause to be published a notice of sale twice, at least one week apart, with the first publication being at least fifteen days prior to the sale and the second publication being at least three days prior to the sale in accordance with I.C. 5-1-11 and I.C. 5-3-1. The notice shall be published in the News-Sentinel and in the Journal Gazette, the only newspapers of general circulation published in Fort Wayne and may be published one time in the Indianapolis Commercial published in the City of Indianapolis, Indiana. A summary notice may be published in the Bond Buyer published in the City of New York, New York. Said notice shall provide, among other things, that each bid shall be accompanied by a certified or cashier's check in the amount of Fifteen Thousand Dollars (\$15,000) to guarantee performance on the part of the

bidder, and that in the event the successful bidder shall fail or refuse to accept delivery of the bonds and pay for the same as soon as the bonds are ready for delivery, or at the time fixed in the notice of sale, then said check and the proceeds thereof shall be the property of the City and shall be considered as its liquidated damages on account of such default. The bond sale notice shall state the time and place of sale, the total amount of bonds, the maximum rate of interest thereon, the maturities thereof, the purpose for which the bonds are being issued, the terms and conditions on which bids will be received and the sale made, and shall set out such other information as the City Controller, acting on the advice of the City Attorney and bond counsel, shall deem necessary and any summary notice may contain any information deemed so advisable.

All bids for said bonds shall be sealed and shall be presented to the City Controller at his office. Bidders shall be required to name the rate or rates of interest which the bonds are to bear, not exceeding the maximum rate hereinbefore fixed. Such interest rate or rates shall be in multiples of one-eighth ( $1/8$ ) or one-tenth ( $1/10$ ) of one percent (1%). ~~Not more than four (4) different interest rates shall be named, but all bonds maturing on the same date must bear the same rate of interest. A rate may be repeated without being considered a different rate. The rate bid on any maturity shall be equal to or greater than the rate bid on the immediately preceding maturity.~~ There shall not be more than one interest coupon for any coupon period on any bond. The City Controller shall award the bonds to the highest qualified bidder. The highest bidder shall be the one who offers the lowest interest cost to the City, to be determined by computing the total interest on all of the bonds to their maturities and deducting therefrom the premium bid, if any. No bid for less than the par value of said bonds, including accrued interest to the date of delivery, shall be considered. The City Controller shall have the right

to reject any and all bids, and in the event no satisfactory bids are received, the City Controller shall be authorized to continue the sale from day to day for a period of thirty (30) days without readvertisement; provided, however, that if said sale be continued no bid shall be accepted which is lower than the highest bid received at the time fixed for such sale in the bond sale notice.

Prior to the delivery of said bonds to the purchaser thereof, the City Controller shall obtain a legal opinion as to the validity of the bonds from Ice Miller Donadio & Ryan, acting as bond counsel for the City, and shall furnish such opinion to the purchaser of the bonds. The fee of such bond counsel shall be considered as part of the cost of the refunding on account of which said bonds are issued and shall be paid out of the proceeds of said bonds.

The Common Council authorizes the insurance of the bonds with a municipal bond insurance company if the City Controller, acting on the advice of the City's financial consultant, finds such insurance advisable, in the best interest of the City and necessary, convenient or desirable to make the bonds issued hereunder more marketable. The cost of obtaining said insurance shall be considered as a part of the cost of the project on account of which the bonds are issued, and shall be paid out of the proceeds of the bonds or out of other funds of the water works.

The City covenants that it will not invest the proceeds of said bonds, or any moneys treated as proceeds by the Internal Revenue Service, in any manner, or take or fail to take any other action, which would result in said bonds constituting "arbitrage bonds" within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended, or the Treasury Regulations or any Revenue Rulings promulgated thereunder, or as determined by any court of competent jurisdiction.

Section 8. In the event it shall be hereafter determined that it is not necessary to issue all of the bonds authorized



by this ordinance, or the Public Service Commission of Indiana shall not approve the issuance of said total amount of bonds, the City Controller shall be authorized to sell and deliver a lesser amount of bonds than herein authorized, in which case the bonds not sold or delivered shall be of the last maturity or maturities.

The bonds herein authorized, when fully paid for and delivered to the purchaser, shall be the binding and special revenue obligations of the City, payable out of the income and revenues of the waterworks system of said City according to their tenor and effect, and the proceeds derived from the sale of said bonds shall be and are hereby set aside for the purpose of paying the cost of refunding the indebtedness incurred for payment for the acquisition of water facilities by said municipal waterworks and the expenses necessarily incurred in connection therewith, including the expenses incurred in connection with the issuance and sale of the bonds. The proper officers of the City are hereby directed to draw all proper and necessary warrants, and to do all acts and things which may be necessary to carry out the provisions of this ordinance.

Section 9. Any accrued interest and any premium received at the time of the delivery of the bonds shall be deposited in the Bond and Interest Redemption Account heretofore duly created. The remaining proceeds from the sale of the bonds shall be used immediately to refund the aforementioned short term indebtedness and to pay costs of issuance incidental to the bond issue.

Section 10. The City shall keep proper books of records and accounts, separate from all of its other records and accounts, in which complete and correct entries shall be made showing all revenues collected from said waterworks and deposited in the special accounts heretofore established and all disbursements made therefrom and all transactions relating to said waterworks. There shall be prepared and furnished to the original purchaser of the bonds, and, upon written request,



to any holder of the bonds, not more than sixty (60) days after the close of each annual fiscal period, complete operating and income statements and balance sheets of the waterworks, in reasonable detail, covering such annual fiscal period together with a statement of the balances as of the close of such fiscal year in each of the accounts hereinbefore referred to in this ordinance, which statements shall be prepared by an independent certified public accountant. Said annual statements shall also include a statement as to the number of customers of the waterworks at the close of said fiscal year and the number at the end of the preceding year, and comments of said accountant relative to the manner in which the City has carried out the requirements of this ordinance and any other ordinances authorizing then outstanding bonds. The fees or charges of such accountant shall be deemed to be a cost of operation and maintenance of the waterworks. Copies of all such statements and reports shall at all times be kept on file in the office of the City Controller. Any holder of the bonds or representative of any holder duly authorized by written instrument shall have the right at all reasonable times to inspect the waterworks and the records, accounts and data of the City relating thereto.

Section 11. The City shall, to the fullest extent permitted by law, establish, maintain and collect reasonable and just rates and charges for the services and facilities afforded by said waterworks which will provide revenues at least sufficient to pay the reasonable and proper cost of the maintenance and operation of the waterworks, to provide a proper and reasonable depreciation account, and to pay the principal of and interest on all bonds payable from the revenues of the waterworks as the same become due and provide a surplus or margin of ten percent (10%) of the principal and interest due each year, which shall be cumulative. So long as any of the bonds herein authorized are outstanding, none of the facilities and service afforded by said waterworks shall be furnished without a reasonable and just charge being made

therefor. The reasonable value of any facility or service rendered to the City, or to any department, agency or instrumentality thereof, including the use of water for hydrants for fire protection or for any other purpose, shall be charged against the City and shall be paid for as the charges accrue, and the revenue so received shall be deemed to be revenue derived from the operation of the waterworks and shall be used and accounted for in the same manner as other revenues derived from the operation of the waterworks.

Section 12. If, prior to the maturity of the bonds issued hereunder, (i) sufficient moneys, or (ii) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, the principal of and the interest on which when due will provide sufficient moneys, or (iii) time certificates of deposit fully secured as to both principal and interest by obligations of the kind described in (ii) above of a bank or banks the principal of and interest on which when due will provide sufficient moneys, shall be held in trust for such purpose, to pay the whole amount of the principal and the interest due and payable at maturity upon all of the bonds and coupons then outstanding; then and in that case the bonds issued hereunder shall no longer be deemed outstanding or entitled to the pledge of the percentage of gross revenues of the City's waterworks established in Section 3(c).

Section 13. The City reserves the right to authorize and issue additional bonds, payable out of the revenues of the waterworks, of equal priority with the bonds authorized by this ordinance for the purpose of financing the cost of future additions, extensions and improvements to the waterworks, subject to the following conditions:

(a) The interest on and principal of all bonds payable from the revenues of the waterworks shall have been paid to date in accordance with the terms thereof, and all required

payments into the Bond and Interest Redemption Account have been made in accordance with the provisions of this ordinance.

(b) (i) The amount of gross revenues of the waterworks allocated by Section 3(c) of this ordinance to and deposited in the Bond and Interest Redemption Account in the calendar year immediately preceding the issuance of any such additional parity bonds shall be not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional parity bonds proposed to be issued; or

(ii) Prior to the issuance of said parity bonds, the proportion of the gross revenues allocated to said Bond and Interest Redemption Account shall be increased sufficiently so that said increased proportion applied to the previous calendar year's gross revenues would have produced revenues in said Bond and Interest Redemption Account for said year equal to not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional parity bonds proposed to be issued; or

(iii) Prior to the issuance of said parity bonds, the water rates and charges shall be increased sufficiently and the proportion of gross revenues allocated to said Bond and Interest Redemption Account increased sufficiently so that said increased water rates and charges applied to the previous calendar year's operations would have produced gross revenues in an amount so that the proportion allocated to said Bond and Interest Redemption Account for said year would have equaled not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional parity bonds proposed to be issued.

For purposes of this subsection, the records of the waterworks shall be analyzed and all showings shall be prepared by a

certified public accountant employed by the City for that purpose.

(c) To the extent required by law, the issuance of the proposed additional parity bonds and any necessary increase in water rates and charges shall have been approved by the Public Service Commission of Indiana, and said Commission shall have certified that the income and revenues of the waterworks, after providing for operation and maintenance and depreciation, will be sufficient to pay the principal and interest of all bonds payable from the revenues of the waterworks, including the additional parity bonds proposed to be issued.

(d) The principal on such additional parity bonds shall be payable on January 1 in the years in which principal is payable, and the interest on said bonds shall be payable semi-annually on January 1 and July 1 in the years in which said interest is payable.

Section 14. For the purpose of further safeguarding the interests of the holders of the bonds, it is specifically provided as follows:

(a) The City shall, at all times, maintain said waterworks in good condition and operate the same in an efficient manner and at a reasonable cost.

(b) So long as any of the bonds herein authorized are outstanding, the City shall maintain insurance on the insurable parts of the waterworks of a kind and in an amount such as is usually carried by private companies engaged in a similar type of business. All insurance shall be placed with responsible insurance companies qualified to do business in the State of Indiana, and any insurance proceeds collected shall be used in replacing the property destroyed or damaged.

(c) So long as any of the bonds herein authorized are outstanding, the City shall not mortgage, pledge or otherwise encumber its waterworks or any part thereof, and shall not sell, lease or otherwise dispose of any portion thereof except such equipment which may become worn out or obsolete, and shall

be replaced; nor, except as provided in Section 13 hereof, shall the City execute or issue any additional bonds or other obligations pledging any portion of the revenues of said waterworks unless the same be made subordinate and junior in all respects to the bonds herein authorized.

(d) The provisions of this ordinance shall be construed to create a trust in the proceeds derived from the sale of the bonds herein authorized, for the uses and purposes herein set forth, and so long as any of said bonds are outstanding the provisions of this ordinance shall also be construed to create a trust in the fixed proportion of the revenues of the waterworks herein directed to be set apart and paid into the Bond and Interest Redemption Account for the uses and purposes of said account as in this ordinance set forth.

(e) The provisions of this ordinance shall constitute a contract by and between the City of Fort Wayne and the holders of the bonds herein authorized, all of the terms of which shall be enforceable in law or in equity, and after the issuance of the bonds this ordinance shall not be repealed or amended in any respect which will adversely affect the rights and interests of the holders of said bonds, nor shall the Common Council of the City adopt any law, ordinance or resolution in any way adversely affecting the rights of such holders so long as any of the bonds or the interest thereon remain unpaid. The holders of the bonds shall have all of the rights, remedies and privileges, either expressly set forth in the provisions of I.C. 19-3-17 and I.C. 5-1-6 and all acts amendatory thereof and supplemental thereto, or implied therein, including the right to compel the collection of sufficient rates and charges to provide for the payment of the bonds issued hereunder and the interest thereon.

Section 15. Subject to the terms and provisions contained in this section, and not otherwise, the holders of not less than sixty-six and two-thirds per cent (66-2/3%) in aggregate principal amount of the bonds issued pursuant to this ordinance

and then outstanding shall have the right, from time to time, anything contained in this ordinance to the contrary notwithstanding, to consent to and approve the adoption by the City of such ordinance or ordinances supplemental hereto as shall be deemed necessary or desirable by the City for the purpose of modifying, altering, amending, adding to or rescinding in any particular any of the terms or provisions contained in this ordinance, or in any supplemental ordinance; provided, however, that nothing herein contained shall permit or be construed as permitting:

(a) An extension of the maturity of the principal of or interest on any bond issued pursuant to this ordinance; or

(b) A reduction in the principal amount of any bond or the rate of interest thereon; or

(c) The creation of a lien upon or a pledge of the revenues of the waterworks ranking prior to the pledge thereof created by this ordinance; or

(d) A preference or priority of any bond or bonds issued pursuant to this ordinance over any other bond or bonds issued pursuant to the provisions of this ordinance; or

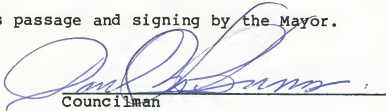
(e) A reduction in the aggregate principal amount of the bonds required for consent to such supplemental ordinance.

The holders of not less than sixty-six and two-thirds per cent (66-2/3%) in aggregate principal amount of the bonds outstanding at the time of adoption of such supplemental ordinance shall have consented to and approved the adoption thereof by written instrument to be maintained on file in the office of the Clerk of the City. No holder of any bond issued pursuant to this ordinance shall have any right to object to the adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the

adoption thereof, or to enjoin or restrain the City or its officers from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this section, this ordinance shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this ordinance of the City and all holders of bonds issued pursuant to the provisions of this ordinance then outstanding, shall thereafter be determined exercised and enforced in accordance with this ordinance, subject in all respects to such modifications and amendments. Notwithstanding anything contained in the foregoing provisions of this ordinance, the rights and obligations of the City and of the holders of the bonds authorized by this ordinance, and the terms and provisions of the bonds and this ordinance, or any supplemental ordinance, may be modified or altered in any respect with the consent of the City and the consent of the holders of all the bonds issued pursuant to this ordinance then outstanding.

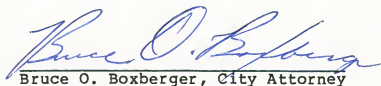
Section 16. All ordinances and parts of ordinances in conflict herewith are hereby repealed; provided, however, that this ordinance shall not be deemed in any way to repeal, amend, alter or modify the ordinances authorizing the issuance of the 1967 Bonds, the 1968 Bonds or the 1978 Bonds, nor be construed as adversely affecting the rights of the holders of the aforementioned outstanding 1967 Bonds, 1968 Bonds or the 1978 Bonds.

Section 17. This ordinance shall be in full force and effect from and after its passage and signing by the Mayor.

  
Councilman

Approved as to form and legality this 14<sup>th</sup> day of

May, 1982.

  
Bruce O. Boxberger, City Attorney



Read the first time in full and on motion by Burns, seconded by Stier, and duly adopted, read the second time by title and referred to the Committee City Clerk (and the City Plan Commission for recommendation) and Public Hearing to be held after due legal notice, at the Council Chambers, City-County Building, Fort Wayne, Indiana, on 5-11-82, the 11 day of May, 1982, at 11 o'clock A.M., E.S.T.

DATE: 5-11-82

Charles W. Westerman  
CHARLES W. WESTERMAN - CITY CLERK

Read the third time in full and on motion by Burns, seconded by Stier, and duly adopted, placed on its passage. PASSED (~~LOST~~) by the following vote:

	AYES	NAYS	ABSTAINED	ABSENT	TO-WIT:
TOTAL VOTES	<u>8</u>	<u>      </u>	<u>      </u>	<u>1</u>	<u>      </u>
BRADBURY	<u>X</u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
BURNS	<u>X</u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
EISBART	<u>X</u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
GIAQUINTA	<u>X</u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
NUCKOLS	<u>      </u>	<u>      </u>	<u>      </u>	<u>X</u>	<u>      </u>
SCHMIDT	<u>X</u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
SCHOMBURG	<u>X</u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
STIER	<u>X</u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
TALARICO	<u>X</u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>

DATE: 5-25-82

Charles W. Westerman  
CHARLES W. WESTERMAN - CITY CLERK

Passed and adopted by the Common Council of the City of Fort Wayne, Indiana, as (ZONING MAP) (GENERAL) (ANNEXATION) (SPECIAL) (APPROPRIATION) ORDINANCE (RESOLUTION) NO. 5-86-82 on the 25th day of May, 1982.

ATTEST:

(SEAL)

Charles W. Westerman  
CHARLES W. WESTERMAN - CITY CLERK

Samuel J. Talarico  
PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the 26th day of May, 1982, at the hour of 11:30 o'clock A.M., E.S.T.

Charles W. Westerman  
CHARLES W. WESTERMAN - CITY CLERK

Approved and signed by me this 1st day of June, 1982, at the hour of 4 o'clock P.M., E.S.T.

Win Moses, Jr.  
WIN MOSES, JR. - MAYOR

BILL NO. S-82-05-06

REPORT OF THE COMMITTEE ON CITY UTILITIES

WE, YOUR COMMITTEE ON City Utilities TO WHOM WAS REFERRED AN  
ORDINANCE concerning the refunding of an indebtedness of the  
municipal waterworks incurred for the acquisition of water facilities  
by the municipal waterworks of the City of Fort Wayne, authorizing  
the issuance of revenue bonds to provide for the cost thereof,  
matters connected therewith and repealing ordinances in  
conflict therewith

HAVE HAD SAID ORDINANCE UNDER CONSIDERATION AND BEG LEAVE TO REPORT  
BACK TO THE COMMON COUNCIL THAT SAID ORDINANCE PASS.

PAUL M. BURNS - CHAIRMAN

MARK E. GIAQUINTA - VICE CHAIRMAN

JAMES S. STIER

JANET G. BRADBURY

ROY J. SCHOMBURG

5-25-82  
CONCURRED IN  
DATE \_\_\_\_\_ CHARLES W. WESTERMAN, CITY CLERK

The information contained in this Official Statement, which includes the cover page, summary statements and appendices, has been obtained from the City of Fort Wayne, Indiana and other sources which are deemed reliable. No representation or warranty is made, however, as to the accuracy or completeness of such information. This Official Statement is submitted in connection with the sale of securities as referred to herein and may not be reproduced or be used, in whole or in part, for any other purpose. The delivery of this Official Statement at any time does not imply that information herein is correct as of any time subsequent to its date.

No dealer, salesman or any other person has been authorized by the City of Fort Wayne to give any information or to make any representation other than as contained in the Official Statement in connection with the offerings described herein and, if given or made, such other information or representation must not be relied upon.

This Official Statement does not constitute an offer of any securities other than those described on the cover page or an offer to sell or a solicitation of an offer to buy in any jurisdiction to any person in which such offer, solicitation or sale would be unlawful.

## OFFICIAL STATEMENT DATED JULY 14, 1982

**City of Fort Wayne, Indiana**

**\$4,000,000**  
**Sewer Connection**  
**Revenue Bonds of 1982**

**\$3,400,000**  
**Sewage Works**  
**Revenue Bonds of 1982**

**Dated: July 1, 1982****Due: August 1, as shown below**

Principal and semi-annual interest (February 1 and August 1, first interest payment August 1, 1982) payable at the Lincoln National Bank and Trust Company of Fort Wayne, in Fort Wayne, Indiana, or, at the option of the holder, at the Continental National Bank and Trust Company in Chicago, Indiana, or the Irving Trust Company in New York City, New York (Paying Agents). The Bonds (both issues referred to above) will be issued as coupon bonds in the denomination of \$5,000; registrable as to principal only; will bear interest at a rate or rates not to exceed 14% per annum, said rate or rates to be determined by bidding as described in the Official Bond Sale Notices contained herein; and shall not be redeemable prior to maturity. The Bonds will be issued as provided by Ordinances adopted by the Common Council of the City of Fort Wayne on May 25, 1982 and are payable solely from the revenues derived from the City-owned sewage system and are scheduled to mature annually on August 1 as follows:

**SEWER CONNECTION BONDS OF 1982**

1985	\$60,000	1989	\$100,000	1993	\$170,000	1997	\$410,000
1986	70,000	1990	115,000	1994	195,000	1998	825,000
1987	80,000	1991	130,000	1995	220,000	1999	940,000
1988	90,000	1992	150,000	1996	360,000	2000	85,000

**SEWAGE WORKS REVENUE BONDS OF 1982**

1996	\$170,000	1999	\$ 755,000
1997	210,000	2000	1,605,000
1998	660,000		

**TAX EXEMPTION**

In the opinion of Bond Counsel the interest on the Bonds is now exempt from federal income taxes and from present Indiana taxes except Indiana inheritance taxes.

**LEGAL OPINIONS**

Legal matters incident to the authorization and issuance of the Bonds are subject to the approving opinion of Bond Counsel. This opinion will be furnished to the purchaser of the Bonds at the time of delivery and will also be printed on the Bonds.

*The City of Fort Wayne has authorized the distribution of this Official Statement to prospective purchasers and other interested parties.*

# City of Fort Wayne, Indiana

## MAYOR

Winfield C. Moses, Jr.

## BOARD OF PUBLIC WORKS

Stephen Bailey  
*Chairman*

Betty R. Collins

Roberta A. Staten

## CITY CLERK

Charles W. Westerman

## CITY CONTROLLER

Frank W. Heyman

## COMMON COUNCIL

Samuel J. Talarico  
*President*

Paul M. Burns  
Benjamin Eisbart  
John Nuckols  
Donald J. Schmidt

Mark E. GiaQuinta  
Roy J. Schomburg  
Janet Bradbury  
James S. Stier

## CITY ATTORNEY

Bruce O. Boxberger

## UTILITIES DIRECTOR

Alan Zirkle

## BOND COUNSEL

Ice Miller Donadio & Ryan  
*Indianapolis, Indiana*

## FINANCIAL CONSULTANT

Municipal Consultants, Inc.  
*Maitland, Florida*  
*Indianapolis, Indiana*

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## SUMMARY SHEET

### Sewer Connection Revenue Bonds of 1982

(Subject in all respects to the information contained elsewhere in this Official Statement)

Issuer.....	City of Fort Wayne, Indiana - Sewage Works
Securities Offered.....	\$4,000,000 Sewer Connection Revenue Bonds of 1982
Bonds Presently Outstanding.....	Bonds of 1959 - \$1,085,000 Bonds of 1961 - \$1,190,000 Bonds of 1970 - \$2,255,000 Bonds of 1975 - \$6,050,000 (Sewage Works Bonds of 1982 of \$3,400,000 concurrently offered)
Security.....	Secured by and payable from net revenues of the sewage works (defined as gross revenues remaining after payment of all operating and maintenance costs). Bonds will share lien on net revenues, on a parity basis, with bonds now outstanding and concurrently offered. Bonds do not constitute a lien on the property of the City.
Offering Date.....	July 21, 1982
Interest Payment Dates.....	February 1 and August 1
Maturity Dates.....	Serial Bonds - August 1, 1996 - 2000
Redemption.....	Bonds are not redeemable prior to maturity.
Use of Proceeds.....	To complete certain projects being partially financed by federal and state grants; to pay incidental issuance expenses; to fund debt reserve of \$600,000.
Business and Service Area.....	The City owns and operates the sewage works which collects and treats all domestic, commercial and industrial sewage discharged in the City of Fort Wayne, contiguous areas of Allen County as well as wastes from City of New Haven and other nearby municipalities. The City also owns and operates the local municipal water utility. The sewage works serves about 62,000 residential and commercial users, 300 industrial users, and other municipal contract customers with a treatment plant having a capacity expanded in 1979 to 60 MGD.
Sewage Rates.....	The Common Council of the City adjudicates sewage rates pursuant to powers delegated by the Indiana legislature. Rates are subject to public hearing and certain statutory tests for reasonableness. Rates now in effect have heretofore been approved, as to structure and reasonableness, by the Environmental Protection Agency, Region V.

#### Financial Information:

Pro Forma Net Revenues Available for Debt Service.....	\$ 2,097,697
Debt Service Coverage - Average Annual Requirement - Times.....	1.35

#### Capitalization: December 31, 1981, as adjusted for bonds now offered:

Long-Term Bonded Debt (including current maturities).....	\$17,980,000.....16.7%
Equity of the Municipality.....	\$89,763,452.....83.3%



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# SUMMARY SHEET

## Sewage Works Revenue Bonds of 1982

(Subject in all respects to the information contained elsewhere in this Official Statement)

Issuer.....	City of Fort Wayne, Indiana - Sewage Works
Securities Offered.....	\$3,400,000 Sewage Works Revenue Bonds of 1982
Bonds Presently Outstanding.....	Bonds of 1959 - \$1,085,000
	Bonds of 1961 - \$1,190,000
	Bonds of 1970 - \$2,255,000
	Bonds of 1975 - \$6,050,000
	(Sewer Connection Bonds of 1982 of \$4,000,000 concurrently offered)
Security.....	Secured by and payable from net revenues of the sewage works (defined as gross revenues remaining after payment of all operating and maintenance costs). Bonds will share lien on net revenues, on a parity basis, with bonds now outstanding and concurrently offered. Bonds do not constitute a lien on the property of the City.
Offering Date.....	July 21, 1982
Interest Payment Dates.....	February 1 and August 1
Maturity Dates.....	Serial Bonds - August 1, 1985 - 2000
Redemption.....	Bonds are not redeemable prior to maturity.
Use of Proceeds.....	To repair damage to sewers arising from flood of 1982 and to complete certain projects being partially financed by federal and state grants; to pay incidental issuance expenses; to fund debt reserve of \$400,000.
Business and Service Area.....	The City owns and operates the sewage works which collects and treats all domestic, commercial and industrial sewage discharged in the City of Fort Wayne, contiguous areas of Allen County as well as wastes from City of New Haven and other nearby municipalities. The City also owns and operates the local municipal water utility. The sewage works serves about 62,000 residential and commercial users, 300 industrial users, and other municipal contract customers with a treatment plant having a capacity expanded in 1979 to 60 MGD.
Sewage Rates.....	The Common Council of the City adjudicates sewage rates pursuant to powers delegated by the Indiana legislature. Rates are subject to public hearing and certain statutory tests for reasonableness. Rates now in effect have heretofore been approved, as to structure and reasonableness, by the Environmental Protection Agency, Region V.

### Financial Information:

Pro Forma Net Revenues Available for Debt Service.....	\$ 2,097,697
Debt Service Coverage - Average Annual Requirement - Times.....	1.35

### Capitalization: December 31, 1981, as adjusted for bonds now offered:

Long-Term Bonded Debt (including current maturities).....	\$17,980,000.....16.7%
Equity of the Municipality.....	\$89,763,452.....83.3%

**OFFICIAL NOTICE OF BOND SALE  
CITY OF FORT WAYNE, INDIANA**

Sealed proposals will be opened and considered by the City Controller and the Board of Public Works and Safety of the City of Fort Wayne, Indiana, at the City Controller's office in the City County Building, at the hour of 1:00 p.m. (Fort Wayne Time), on July 28, 1982, for the purchase of the following described revenue bonds of the City's sewage works:

Sewer Connection Revenue Bonds of 1982, in the amount of \$4,000,000; Dated as of July 1, 1982; Interest at a rate or rates not exceeding 14% per annum (to be determined by bidding), payable on August 1, 1982, and semi-annually thereafter; Denomination \$5,000; Registrable as to principal; Principal and interest payable at the Lincoln National Bank and Trust Company of Fort Wayne, in the City of Fort Wayne, Indiana, or at the option of the holder, at the Continental Illinois National Bank and Trust Company, in the City of Chicago, Illinois, or at the Irving Trust Company, in the Borough of Manhattan, in the City and State of New York; Maturing on August 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
1985	\$ 60,000	1993	\$ 170,000
1986	70,000	1994	195,000
1987	80,000	1995	220,000
1988	90,000	1996	360,000
1989	100,000	1997	410,000
1990	115,000	1998	825,000
1991	130,000	1999	940,000
1992	150,000	2000	85,000

The bonds of this issue are not redeemable prior to maturity.

Each bid must be for all of said bonds and must state the rate or rates of interest which the bonds are to bear, not exceeding the maximum rate hereinbefore set forth. Such interest rate or rates shall be in multiples of one-eighth (1/8) or one-tenth (1/10) of one percent (1%). Bids specifying more than one interest rate shall also specify the amount and maturities of the bonds bearing each rate, but all bonds maturing on the same date shall bear the same single coupon rate. The interest due on any bond on any interest payment date shall be represented by a single interest coupon. The City Controller shall award the bonds to the highest qualified bidder. The highest bidder shall be the one who offers the lowest net interest cost to the City on said issue as a whole, to be determined by computing the total interest on the bonds to their maturities at the rate or rates named in the bid and deducting therefrom the premium bid, if any. No bid for less than the face value of said bonds, plus accrued interest to the date of delivery, computed at the rate or rates named in the bid, shall be considered. Each bid shall be accompanied by a certified or cashier's check payable to the City of Fort Wayne in the amount of Forty Thousand Dollars (\$40,000) as a guaranty of the good faith of the bidder. In the event the successful bidder shall fail or refuse to accept delivery of said bonds in accordance with his bid and the notice of sale, then said check and the proceeds thereof shall be the property of the City and shall be considered as its liquidated damages on account of such default. The City Controller shall have the right to reject

any and all bids, and in the event no satisfactory bid is received on the date fixed in the notice, the City Controller shall be authorized to continue the sale from day to day for a period of not to exceed thirty (30) days without readvertisement, but during such continuation of the sale no bid shall be accepted which is lower than the highest bid received at the time fixed for such sale in the bond sale notice.

No conditional bid or bid for less than the par value of said bonds, including accrued interest from the date thereof to the date of delivery, will be considered. Each bid must be on a customary bid form which shall be enclosed in a sealed envelope addressed to the undersigned City Controller, and marked on the outside "Bid for Fort Wayne Sewer Connection Revenue bonds of 1982," and each bid shall be accompanied by a certified or cashier's check as provided for above. The successful bidder shall make payment for the bonds and accept delivery thereof within five (5) days after being notified that the bonds are ready for delivery, at such bank in the City of Fort Wayne or City of Indianapolis, Indiana, as he shall designate. The checks of unsuccessful bidders will be returned immediately following the award of the bonds. It is anticipated that the bonds will be ready for delivery within thirty days after the date of sale, and if not deliverable within forty-five days, the successful bidder shall be entitled to cancel the sale, and in such event, his good faith check will be returned. No interest will be paid on the good faith deposit.

The unqualified approving opinion of Ice Miller Donadio & Ryan, bond counsel of Indianapolis, Indiana, together with the printed bonds with the legal opinion printed thereon, a transcript of the proceedings relating to the issuance of said bonds, and closing papers in the usual form showing no litigation questioning the validity of the bonds, will be furnished to the purchaser at the expense of the City.

CUSIP identification numbers may be printed on the bonds, but neither the failure to print such number on any bond nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for said bonds. All expenses in relation to the printing of CUSIP numbers on said bonds shall be paid for by the issuer; provided, however, that the issuer assumes no responsibility for any CUSIP Service Bureau or other charge that may be imposed for the assignment of such numbers.

The bonds are being issued for the purpose of providing funds for application on the cost of construction and installation of additions and improvements to the sewage works owned and operated by the City of Fort Wayne, including the funding of a debt service reserve in the amount of \$600,000. The project was approved by the Common Council of the City of Fort Wayne in Ordinance No. S-88-82, adopted on May 25, 1982. A copy of said ordinance and the engineering and financial data pertaining to the project may be examined at the office of the City Controller in the City Hall in the City of Fort Wayne.

The City now has outstanding certain Sewage Works Improvement Bonds (hereinafter the "1959 Bonds") in the amount of One Million Eighty-five Thousand Dollars (\$1,085,000), issued under the date of November 1, 1959, bearing interest at the rates of 3-7/8% or 3-1/4% per annum, depending on the maturities, maturing on August 1 in the years 1982 to 1990, inclusive; certain Sewage Works Improvement Revenue Bonds of 1961 (hereinafter the "1961 Bonds") outstanding in the amount of One Million One Hundred Ninety Thousand Dollars (\$1,190,000) issued under date of August 1, 1961, bearing interest at the rate of 3-3/4% per annum, maturing on August 1 in the years 1982 to 1993 inclusive, which bonds are on a parity with the 1959 Bonds; certain Sewage Works Improvement Revenue Bonds of 1970 (hereinafter the "1970 Bonds") outstanding in the amount of Two Million Two Hundred Fifty-five Thousand Dollars (\$2,255,000), issued under date of April 1, 1970, bearing interest at the rates of 6.5%, 6.7%, 6.9% or 7.0% per annum, depending on the

maturities, maturing on August 1 in the years 1982 to 1995, inclusive, which bonds are on a parity with the 1959 Bonds and the 1961 Bonds; and certain Sewage Works Improvement Revenue Bonds of 1975 (hereinafter the "1975 Bonds") outstanding in the amount of Six Million Fifty Thousand Dollars (\$6,050,000), issued under date of January 1, 1975, bearing interest at the rates of 6.5%, 6.7% or 5% per annum depending on the maturities, maturing on August 1 in the years 1982 to 1997, inclusive, which bonds are on a parity with the 1959 Bonds, 1961 Bonds and 1970 Bonds. The City has also approved the issuance of certain Sewage Works Revenue Bonds of 1982 (hereinafter the "1982 Bonds") which are tentatively to be issued at the same time as the bonds being herein offered, in the amount of Three Million Four Hundred Thousand Dollars (\$3,400,000) and which bonds will also rank on a parity with the 1959 Bonds, 1961 Bonds, 1970 Bonds and 1975 Bonds. Said outstanding 1959 Bonds, 1961 Bonds, 1970 Bonds, 1975 Bonds and 1982 Bonds, if issued, and the bonds herein offered are of equal priority and constitute a first charge upon the net revenues of the Sewage Works. The ordinances authorizing the issuance of the outstanding bonds and the bonds herein offered authorize the issuance of additional bonds ranking on a parity therewith under certain conditions more specifically set forth in said ordinances.

All bidders shall be deemed to be advised of the provisions of said ordinance as to the property, revenues and financial condition of the City's sewage works. Said bonds will not constitute a corporate indebtedness of the City within the provisions and limitations of the constitution of the State of Indiana. An official statement prepared for the City, including a copy of said ordinance authorizing the bonds now being offered and certain financial and engineering data, may be obtained upon application to Municipal Consultants, Inc., Suite 203, 235 South Maitland Avenue, Maitland, Florida 32751 (305-644-1068), financial advisor to the City or to the undersigned City Controller, 9th Floor, City County Building, Fort Wayne, Indiana 46802, telephone (219) 423-7569.

Dated this 7th day of July, 1982.

FRANK W. HEYMAN  
City Controller  
City of Fort Wayne

**OFFICIAL NOTICE OF BOND SALE  
CITY OF FORT WAYNE, INDIANA**

Sealed proposals will be opened and considered by the City Controller and the Board of Public Works and Safety of the City of Fort Wayne, Indiana, at the City Controller's office in the City County Building, at the hour of 1:00 p.m. (Fort Wayne Time), on July 28, 1982, for the purchase of the following described revenue bonds of the city's sewage works:

Sewage Works Revenue Bonds of 1982, in the amount of \$3,400,000; Dated as of July 1, 1982; Interest at a rate or rates not exceeding 14% per annum (to be determined by bidding), payable on August 1, 1982, and semi-annually thereafter; Denomination \$5,000; Registrable as to principal; Principal and interest payable at the Lincoln National Bank and Trust Company of Fort Wayne, in the City of Fort Wayne, Indiana, or at the option of the holder, at the Continental Illinois National Bank and Trust Company, in the City of Chicago, Illinois, or at the Irving Trust Company, in the Borough of Manhattan, in the City and State of New York; Maturing on August 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
1996	\$ 170,000	1999	\$ 755,000
1997	210,000	2000	1,605,000
1998	660,000		

The bonds of this issue are not redeemable prior to maturity.

Each bid must be for all of said bonds and must state the rate or rates of interest which the bonds are to bear, not exceeding the maximum rate hereinbefore set forth. Such interest rate or rates shall be in multiples of one-eighth (1/8) or one-tenth (1/10) of one percent (1%). Bids specifying more than one interest rate shall also specify the amount and maturities of the bonds bearing each rate, but all bonds maturing on the same date shall bear the same single coupon rate. The interest due on any bond on any interest payment date shall be represented by a single interest coupon. The City Controller shall award the bonds to the highest qualified bidder. The highest bidder shall be the one who offers the lowest net interest cost to the City on said issue as a whole, to be determined by computing the total interest on the bonds to their maturities at the rate or rates named in the bid and deducting therefrom the premium bid, if any. No bid for less than the face value of said bonds, plus accrued interest to the date of delivery, computed at the rate or rates named in the bid, shall be considered. Each bid shall be accompanied by a certified cashier's check payable to the City of Fort Wayne in the amount of Thirty-five Thousand Dollars (\$35,000) as a guaranty of the good faith of the bidder. In the event the successful bidder shall fail or refuse to accept delivery of said bonds in accordance with his bid and the notice of sale, then said check and the proceeds thereof shall be the property of the City and shall be considered as its liquidated damages on account of such default. The City Controller shall have the right to reject any and all bids, and in the event no satisfactory bid is received on the date fixed in the notice, the City Controller shall be authorized to continue the sale from day to day for a period of not to exceed thirty (30) days without readvertisement, but during such continuation of the sale no bid shall be accepted which is lower than the highest bid received at the time fixed for such sale in the bond sale notice.

No conditional bid or bid for less than the par value of said bonds, including accrued interest from the date thereof to the date of delivery, will be considered. Each bid

must be on a customary bid form which shall be enclosed in a sealed envelope addressed to the undersigned City Controller, and marked on the outside "Bid for Fort Wayne Sewage Works Revenue Bonds of 1982," and each bid shall be accompanied by a certified or cashier's check as provided for above. The successful bidder shall make payment for the bonds and accept delivery thereof within five (5) days after being notified that the bonds are ready for delivery, at such bank in the City of Fort Wayne or City of Indianapolis, Indiana, as he shall designate. The checks of unsuccessful bidders will be returned immediately following the award of the bonds. It is anticipated that the bonds will be ready for delivery within thirty days after the date of sale, and if not deliverable within forty-five days, the successful bidder shall be entitled to cancel the sale, and in such event, his good faith check will be returned. No interest will be paid on the good faith deposit.

The unqualified approving opinion of Ice Miller Donadio & Ryan, bond counsel of Indianapolis, Indiana, together with the printed bonds with the legal opinion printed thereon, a transcript of the proceedings relating to the issuance of said bonds, and closing papers in the usual form showing no litigation questioning the validity of the bonds, will be furnished to the purchaser at the expense of the City.

CUSIP identification numbers may be printed on the bonds, but neither the failure to print such number on any bond nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for said bonds. All expenses in relation to the printing of CUSIP numbers on said bonds shall be paid for by the issuer; provided, however, that the issuer assumes no responsibility for an CUSIP Service Bureau or other charge that may be imposed for the assignment of such numbers.

The bonds are being issued for the purpose of providing funds for application on the cost of construction and installation of additions and improvements to the sewage works owned and operated by the City of Fort Wayne, including the funding of a debt service reserve in the amount of \$400,000. The project was approved by the Common Council of the City of Fort Wayne in Ordinance No. S-87-82, adopted on May 25, 1982. A copy of said ordinance and the engineering and financial data pertaining to the project may be examined at the office of the City Controller in the City Hall in the City of Fort Wayne.

The City now has outstanding certain Sewage Works Improvement Bonds (hereinafter the "1959 Bonds") in the amount of One Million Eighty-five Thousand Dollars (\$1,085,000), issued under the date of November 1, 1959, bearing interest at the rate of 3-7/8% or 3-1/4% per annum, depending on the maturities, maturing on August 1 in the years 1982 to 1990, inclusive; certain Sewage Works Improvement Revenue Bonds of 1961 (hereinafter the "1961 Bonds") outstanding in the amount of One Million One Hundred Ninety Thousand Dollars (\$1,190,000) issued under date of August 1, 1961, bearing interest at the rate of 3-3/4% per annum, maturing on August 1 in the years 1982 to 1993 inclusive, which bonds are on a parity with the 1959 Bonds; certain Sewage Works Improvement Revenue Bonds of 1970 (hereinafter the "1970 Bonds") outstanding in the amount of Two Million Two Hundred Fifty-five thousand Dollars (\$2,255,000), issued under date of April 1, 1970, bearing interest at the rates of 6.5%, 6.7%, 6.9% or 7.0% per annum, depending on the maturities, maturing on August 1 in the years 1982 to 1995, inclusive, which bonds are on a parity with the 1959 Bonds and the 1961 Bonds; and certain Sewage Works Improvement Revenue Bonds of 1975 (hereinafter the "1975 Bonds") outstanding in the amount of Six Million Fifty Thousand Dollars (\$6,050,000), issued under date of January 1, 1975, bearing interest at the rates of 6.5%, 6.7% or 5% per annum depending on the maturities, maturing on August 1 in the years 1982 to 1997, inclusive, which bonds are on a parity with the 1959 Bonds, 1961 Bonds and 1970 Bonds. The City has also approved the issuance of certain Sewer Connection Revenue Bonds of 1982 (hereinafter the "Connection Bonds") which are tentatively to be issued at the same time as the bonds being herein



offered, in the amount of Four Million Dollars (\$4,000,000) and which bonds will also rank on a parity with the 1959 Bonds, 1961 Bonds, 1970 Bonds and 1973 Bonds. Said 1959 Bonds, 1961 Bonds, 1970 Bonds, 1975 Bonds and Connection Bonds, if issued, and the bonds herein offered are of equal priority and constitute a first charge upon the net revenue of the Sewage Works. The ordinances authorizing the issuance of the outstanding bonds and the bonds herein offered authorize the issuance of additional bonds ranking on a parity therewith under certain conditions more specifically set forth in said ordinances.

All bidders shall be deemed to be advised of the provisions of said ordinance and as to the property, revenues and financial condition of the City's sewage works. Said bonds will not constitute a corporate indebtedness of the City within the provisions and limitations of the constitution of the State of Indiana. An official statement prepared for the City, including a copy of said ordinance authorizing the bonds now being offered and certain financial and engineering data may be obtained upon application to Municipal Consultants, Inc, Suite 203, 235 South Maitland Avenue, Maitland, Florida 32751 (305-644-1068), financial advisor to the City or to the undersigned City Controller, 9th Floor, City County Building, Fort Wayne, Indiana 46802, Telephone (219) 423-7569.

Dated this 7th day of July, 1982.

FRANK W. HEYMAN  
City Controller  
City of Fort Wayne

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# **Official Statement**

## **City of Fort Wayne, Indiana**

**Relating to the Issuance of**

**\$4,000,000 Sewer Connection**

**and**

**\$3,400,000 Sewage Works**

**Revenue Bonds of 1982**

**Revenue Bonds of 1982**

The purpose of this Official Statement, including the cover page, Bond Sale Notices and all appendices and exhibits, is to provide information relating to the \$4,000,000 Sewer Connection Revenue Bonds of 1982 and the \$3,400,000 Sewage Works Revenue Bonds of 1982 (hereafter referred to collectively as the Revenue Bonds) dated July 1, 1982 to be issued by the City of Fort Wayne, Indiana.

### **THE SEWER CONNECTION REVENUE BONDS**

The Sewer Connection Revenue Bonds are to be issued under the authority of Indiana Code, Title 36, Article 9, Chapter 23 and all laws amendatory thereof and supplemental thereto and of Ordinance No. S-88-82 adopted by the Common Council of the City of Fort Wayne on May 25, 1982 (hereafter called the "Ordinance") to provide funds to construct interceptor sewers and other facilities being partially financed by federal and state grants, to fund a debt reserve for the bonds being issued in the amount of \$600,000, and to pay the expenses incidental to the issuance of the bonds.

The Sewer Connection Revenue Bonds shall rank on a parity with presently outstanding revenue bonds heretofore issued by the City and now outstanding in the amount of \$10,580,000, as more particularly described hereafter, and the \$3,400,000 Sewage Works Revenue Bonds being concurrently offered. The Bonds shall be issued in \$5,000 denomination; numbered consecutively 1 to 800; dated July 1, 1982; and shall bear interest at a rate or rates not exceeding 14% per annum, the exact rate or rates to be determined by bidding. Interest shall be payable annually on February 1 and August 1, beginning August 1, 1982. The Bonds will mature serially in numerical order on August 1 in the years 1985 to 2000 inclusive and are not redeemable prior to maturity.

The principal of and interest on the Sewer Connection Revenue Bonds, as well as the presently outstanding bonds, will be payable from the net revenues of the sewage works (defined in the Ordinance as the revenues remaining after the reasonable cost of operation, maintenance and repair have been paid). The City of Fort Wayne will not be obligated to pay the Bonds nor the interest thereon except from the net revenues of the sewage works and the Bonds will not constitute an indebtedness of the City within the meaning of the provisions and the limitations of the Constitution of the State of Indiana.

### **THE SEWAGE WORKS REVENUE BONDS**

The Sewage Works Revenue Bonds are to be issued under the authority of Indiana Code, Title 36, Article 9, Chapter 23 and all laws amendatory thereof and supplemental thereto and of Ordinance No. S-87-82 adopted by the Common Council of the City of Fort Wayne on May 25, 1982 (hereafter called the "Ordinance") to provide funds to construct improvements to the City's advanced wastewater treatment facilities as well as replacements to the City's sewer lines caused by flood damage, all being partially financed by federal and state grants; to fund a debt reserve for the Bonds being issued in the amount of \$400,000; and to pay the expenses incidental to the issuance of the Bonds.

The Sewage Works Revenue Bonds shall rank on a parity with presently outstanding revenue bonds heretofore issued by the City and now outstanding in the amount of \$10,580,000 as more particularly described hereafter, and the \$4,000,000 Sewer Connection Revenue Bonds being concurrently offered. The Bonds shall be issued in \$5,000 denomination; numbered consecutively 1 to 680; dated July 1, 1982; and shall bear interest at a rate or rates not exceeding 14% per annum, the exact rate or rates to be determined by bidding. Interest shall be payable annually on February 1 and August 1, beginning August 1, 1982. The Bonds will mature serially in numerical order on August 1 in the years 1996 to 2000 inclusive and are not redeemable prior to maturity.

The principal of and interest on the Sewage Works Revenue Bonds, as well as the presently outstanding bonds, will be payable from the net revenues of the sewage works (defined in the Ordinance as the revenues remaining after the reasonable cost of operation, maintenance and repair have been paid). The City of Fort Wayne will not be obligated to pay the Bonds nor the interest thereon except from the net revenues of the sewage works and the Bonds will not constitute an indebtedness of the City within the meaning of the provisions and the limitations of the Constitution of the State of Indiana.

### **PURPOSE OF THE ISSUES, PROJECT COST AND FUNDING SOURCES**

The \$7,400,000 Revenue Bonds are being issued to finance the City's share of financing certain improvements and additions to the sewage works, partially attributable to flood damage to sewer lines caused by the 1982 Fort Wayne Flood (more particularly described elsewhere in this Official Statement). In addition, a portion of the proceeds of the combined issuance of revenue bonds will be set aside in a debt reserve for said bonds.

#### **Construction Program**

The City's construction program has been undertaken to comply with federal and state pollution control requirements, to extend interceptors to at least 2,350 new users, and to repair flood damage. This construction includes facilities to permit advanced wastewater treatment in the City's recently expanded treatment plant, to replace certain interceptor sewers and lateral sewer lines recently damaged by flood waters, and to finish construction of several miles of interceptor sewers to provide service to users in the City's service area who are not presently connected to the City's facilities. All construction will be performed in accordance with plans and specifications heretofore prepared by consulting engineers and the City's engineering staff placed on file in the City Clerk's office. Construction costs have been determined by award of bids and engineers' estimates.

#### **Project Cost and Source of Funds**

The City proposes to fund the following aggregate project costs, for the purposes described above, from the following funding sources:

##### Construction Costs (including engineering and contingencies)

<u>Sewage Grant - EPA</u>	<u>Title</u>	<u>Amount</u>
C-180599-06, 07, 08, 09	St. Joe, Spy Run, North Maumee and Junk Ditch Interceptors	\$ 5,295,000
C-180775-01	Sewer System Evaluation and Combined Sewer Overflow Studies	100,000
C-180599-0	Grant Amendments Required - Interceptor Construction	2,000,000
C-180538-01	Treatment Plant Close Out of Change Orders	3,800,000
C-180774-03	Advanced Wastewater Treatment	14,440,000

FEMA Grant	Flood Damage	4,930,000
Current Construction	Sewer Line Construction - Not eligible for grants	1,727,000
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Total Construction Costs		32,292,000
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Non-Construction Costs - Legal, Fiscal and Administrative		95,000
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Total Project Cost		\$ 32,387,000
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<u>Source of Funds</u>		
Federal and State Construction Grants (85% of eligible costs)		\$ 21,789,500
FEMA - Flood Damage Grant (75% of eligible costs)		3,697,500
Sewage Works - Cash		100,000
- Work Force (engineering and construction)		400,000
Sewer Connection Revenue Bonds Proceeds (less debt reserve)		3,400,000
Sewage Works Revenue Bonds Proceeds (less debt reserve)		3,000,000
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Total Source of Funds		\$ 32,387,000
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### **THE 1982 FORT WAYNE FLOOD**

In April 1982 the City of Fort Wayne, situated at the confluence of the Maumee, St. Joseph and St. Mary's Rivers, suffered its worst flood since 1913 resulting in the evacuation of about 3,000 homes and businesses. The dike system of the City held back the water in crucial areas only after reinforcement and sandbagging were undertaken by thousands of volunteer citizens and agencies marshalled by the City administration.

Since the flood waters have fully receded, flood clean-up and rehabilitation have been underway and federal, state and local agencies have completed detailed surveys of damage to public property requiring reconstruction and the estimated cost thereof. The estimated costs and the sources of funds available for payment of such costs are as follows:

Flood Prevention	\$ 704,000
Debris Clearance	554,000
Roads and Streets	212,000
Waterworks Property	48,000
Public Buildings	34,000
Sewer Lines and Property	4,930,000
Park Property	118,000
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	\$ 6,600,000
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Sewage Utility	
- Revenue Bonds (1)	\$ 1,140,000
- Cash	110,000
Federal Flood Grants	4,950,000
City Utilities' Work Force	400,000
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	\$ 6,600,000
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(1) To be combined with issuance of bonds for other utility purposes.

## **REGULATION**

Improvements to the City's treatment plant and sewer system, referred to herein, and plans and specifications for the projects now being undertaken have been approved by the Indiana Stream Pollution Control Board, the Indiana State Board of Health, the U. S. Environmental Protection Agency (EPA), and all other agencies having jurisdiction.

Rates charged for sewage service in the City are fixed by the Common Council pursuant to adoption of a rate ordinance after duly advertised public notice and hearing. The rate covenant of the bond ordinances requires the City to maintain rates which adequately provide all of the financial requirements necessary to operate the sewage system and make all required payments to the Sewage Works sinking fund.

By acceptance of federal grant funds as described hereinbefore, pursuant to Public Law 92-500, the City has been required by EPA to institute and maintain user charges which are equitable in accordance with EPA guidelines.

### **RATES AND COLLECTION OF RATES**

#### **Rates**

The Common Council on May 25, 1982, after due notice and public hearing, as required by law, adopted Special Ordinance S-92-82 amending Chapter 24 of the Fort Wayne Municipal Code (hereafter "Rate Ordinance"). This Rate Ordinance established new rates and charges to be collected for sewage service rendered after June 1, 1982 and repealed all prior rate schedules.

On October 27, 1981 the Common Council amended Chapter 24 to provide for a special capital surcharge to be collected from approximately 6,200 users residing in a suburban area served previously by an investor-owned sewer utility. The monthly surcharge was imposed, and remains effective, until the debt service and other costs associated with the City's acquisition of the property and plant serving these users have been paid in full.

On December 16, 1981 the City's Board of Works adopted Resolution 71-146-10 (hereafter "Resolution") fixing a sewer connection fee of \$2,000 for approximately 2,350 users in a suburban area of the City required to connect to, and benefited by, the City's newly constructed interceptor system extended into Allen County. The Resolution provides for payment of the fee in cash at the time of connection or, at the option of the user, for payment of the fee in monthly installments of \$30 to be added to the sewage service bill of users electing such method of payment. Such monthly payments shall continue until the principal of \$2,000 and the interest thereon is satisfied. The installment debt will be secured by a mortgage agreement executed at the time of sewer connection.

The Rate Ordinance provides that the rates and charges shall be collected from the owner of each and every lot, parcel of real estate or building that is connected to the City's sanitary sewage system or otherwise discharges sanitary sewage, industrial waste, water or other liquids, either directly or indirectly, into the sanitary sewage system of the City of Fort Wayne. The sewage rates and charges, which are exhibited in the Appendix of this Official Statement, are based on the quantity of water used on or in the property or premises subject to such rates and charges as the quantity is measured by the water meter there in use, except as the Ordinance provides for special circumstances. Such special circumstances that are of a material nature in respect to the revenues of the sewage works are as follows:

- (a) For users where a significant portion of the water received does not flow into the sanitary sewer because of the principal activity of user or removal by other means, the user charges will be computed in accordance with the volume of effluent

discharged from such premises into the sanitary sewer. User, at its own expense, may install a meter acceptable to the sewage works for the purpose of measurement of such outfall. The City reserves the right to determine by whatever means it finds practicable the percentage of the user's metered water that enters the sewage system.

(b) User charges shall be imposed on any user of the sewage system who is not a user of water supplied by the City or uses water supplied by the City and in addition thereto uses water from some other source. The City has the right to estimate the quantity of effluent discharged under such circumstances or the user may, at its own expense, install a meter or measuring device to determine the quantity of effluent being discharged to the sewage system.

(c) A domestic sewage user, subsections (a) and (b) above notwithstanding, shall not be billed less than the minimum charge for the same class of user so served.

(d) For domestic sewage service rendered in the period July 1 through October 1 annually (sprinkling period) the monthly sewage charge shall be the lesser of a charge based on the actual or estimated water consumption or a charge based on twice the consumer's average monthly consumption during the prior bi-monthly meter reading period, on a cycle basis, commencing on March 15 annually.

(e) The City has bulk sewage treatment contracts with the City of New Haven, Indiana, and other towns and private sewage systems contiguous to the City's service area, based on the metered flow of sewage delivered to the sewage system of the City. The rates charged for such service are specifically set forth in the Rate Ordinance.

The City bases its charges not only on volume, but on the strength and character of sewage. Extra charges based on the strength of the sewage and liquid wastes are collected on the following basis:

- (1) There shall be a charge of \$.03926 per pound of BOD in excess of 220 mg/l.
- (2) There shall be a charge of \$.03931 per pound for each pound of suspended solids in excess of 250 mg/l.
- (3) There shall be a charge of \$.37619 per pound of phosphorus in excess of 10 parts per million.

Water service in the City of Fort Wayne is provided by the municipally owned waterworks and a schedule of water rates and charges is included in the Appendix of this Official Statement.

In addition to the sewage rates and charges imposed on the domestic and industrial users, the City itself is subject to the same rates and charges for services rendered to its political subdivisions by the system.

In the ordinance authorizing the issuance of the bonds, the City covenants to take all action or proceedings necessary and proper to require connection of all property where sewage is produced with available sanitary sewers. The City further covenants to establish and maintain just and equitable rates or charges which are sufficient in each year to provide for the payment of proper and reasonable expenses of operation, repair and maintenance, and for payment of sums required to be paid into the Bond and Interest Redemption Fund.

### Collection of Rates

The governing Indiana statutes provide that charges for sewage service shall constitute a lien against the property served and, if not paid within 70 days after the same are due, may be enforced by the City:

- (a) by the taking of a money judgment for the amount of the delinquent charge, together with a penalty of ten percent (10%), attorneys' fees and court costs, or
- (b) by certifying the delinquent charges to the County Auditor for collection with and as a part of the general taxes payable on the property to which the charges apply, or
- (c) by the foreclosure of the lien under the laws relating to the foreclosure of improvement liens, in which case the City is entitled to recover the amount of the charges plus a penalty of ten percent (10%) together with attorneys' fees and court costs.

### DISPOSITION OF REVENUES

The Sewage Works Sinking Fund (hereinafter called the "Sinking Fund") created by the ordinance authorizing the 1959 revenue bonds and later adopted as the sinking fund for the revenue bonds heretofore issued has been designated the sinking fund for the bonds of these revenue bond issues. There shall be paid monthly into the Sinking Fund a sufficient amount of the net revenues derived from the sewage works, for the payment of:

- (a) interest on all bonds payable from the revenues of the sewage works, as such interest shall fall due,
- (b) the necessary fiscal agency charges for paying bonds and interest,
- (c) the principal of all bonds payable from the revenues of the sewage works, as such principal shall fall due, and
- (d) an additional amount as a margin of safety and for the payment of premiums upon bonds redeemed by call or purchase which, together with any unused surplus carried forward from the preceding year, shall equal not less than ten percent (10%) of all other amounts required to be paid into the Sinking Fund.

Payments into the Sinking Fund shall be made monthly in an amount equal to at least 1/12 of the amount required for such payments during the then next succeeding twelve calendar months and shall continue until such time as said fund shall contain an amount sufficient to pay all of the bonds then outstanding together with the interest thereon to the dates of maturity thereof. In addition to the required monthly payments into the Sewage Works Sinking Fund, all the net revenues not used in making Sinking Fund payments shall be set aside and paid into the Sinking Fund, on a monthly basis as available, until there has been accumulated in the Sewage works Sinking Fund an amount equal to the sum of the principal and interest on all the outstanding bonds which will be payable during the then next succeeding twelve (12) calendar months. No part of the Sinking Fund shall be used in calling revenue bonds for redemption prior to maturity, except to the extent that the amount in the Sinking Fund exceeds the amount required to pay the principal of and interest on the revenue bonds during the twelve calendar months following the date of such redemption. Moneys in the Sinking Fund shall not be used for any other purpose whatsoever except as provided in the Ordinance.

Any excess revenues, which remain after the accumulation in the Sinking Fund of an amount sufficient to meet the requirements of said Sinking Fund for the then next succeeding twelve calendar months, and the accumulation and reserving of an amount sufficient for operation, repair and maintenance of the sewage works for a like period, may be placed in the "Sewage Works Improvement Fund" and may be used for improvements, betterments and extensions to the sewage works. All or any portion of the funds accu-



mulated and reserved for operation, repair and maintenance, or in the Sewage Works Improvement Fund, shall be transferred to the Sewage Works Sinking Fund if necessary to prevent a default in the payment of principal of or interest on the Revenue Bonds.

### **CONSTRUCTION ACCOUNT**

From the proceeds of the sale of the revenue bonds, the accrued interest and the premium received at the time of the delivery of the bonds, if any, and the debt reserve of \$1,000,000 as provided by the Ordinances authorizing the issuance of the Bonds herein shall be deposited in the Sewage Works Sinking Fund. The remaining proceeds from the sale of the bonds shall be deposited in a bank or banks which are legally designated depositories for the funds of the City, in a special account or accounts to be designated as "City of Fort Wayne, Sewage Works Construction Account". The funds in the Construction Account or Accounts shall be expended only for the purpose of paying the cost of the improvements and extensions to the works. Any balance or balances remaining unexpended in the Construction Account or Accounts, after completion of the improvements and extensions, which are not required to meet unpaid obligations incurred in connection therewith, shall be paid into the Sewage Works Sinking Fund.

The improvements and extensions shall be constructed under the supervision and subject to the approval of the City's Engineering Department (Engineers). All estimates for work done or material furnished shall first be checked by the Engineers and approved by the Board of Public Works.

All funds deposited to the credit of the Sewage Works Construction Account or the Sewage Works Sinking Fund shall be deposited, held, secured or invested in accordance with the laws of the State of Indiana relating to depositing, holding, securing or investing of public funds. Any interest or other accretions derived from any such investments shall become a part of the funds so invested.

### **ISSUANCE OF ADDITIONAL REVENUE BONDS**

The City reserves the right to authorize and issue additional bonds, payable out of the revenues of its sewage works, ranking on a parity with the bonds authorized by the Ordinance and now offered, for the purpose of financing the cost of future additions, extensions and improvements to the sewage works, subject to the following conditions:

- (a) The interest on and principal of all bonds payable from the revenues of the sewage works shall have been paid to date in accordance with the terms thereof.
- (b) As of the date of the issuance of such additional bonds, the balance in the Sewage Works Sinking Fund shall equal not less than the principal and interest requirements of the then outstanding bonds payable during the next succeeding twelve (12) calendar months.
- (c) The net revenues of the sewage works in the fiscal year immediately preceding the issuance of any such bonds ranking on a parity with the bonds now offered and authorized by the Ordinance shall be not less than one hundred and twenty-five percent (125%) of the maximum annual interest and principal requirement of the then outstanding bonds and the additional parity bonds proposed then to be issued; or, prior to the issuance of said parity bonds, the sewage rates and charges shall be increased sufficiently so that such increased rates and charges applied to the previous fiscal year's operations would have produced net operating revenues for the said year equal to not less than one hundred and twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional parity bonds proposed to be issued.

- (d) The principal of such additional parity bonds shall be payable annually on August 1 and the interest thereon shall be payable semi-annually on February 1 and August 1, in the years in which such principal and interest are payable.

For purposes of showing compliance with requirement (c) above, the records of the sewage works shall be analyzed and all showings shall be prepared by an independent certified public accountant employed by the City for that purpose, who shall certify that he has no pecuniary interest in the additions and extensions, or the financing thereof, other than to make the analysis and prepare the showings.

## **ACCOUNTS AND REPORTS**

The City shall keep proper books of records and accounts, separate from all of its other records and accounts, in which complete and correct entries shall be made showing all revenues collected from the sewage works and deposited in the special accounts hereinbefore established and all disbursements made therefrom and all transactions relating to the sewage works. There shall be prepared and furnished to the original purchaser of the bonds, and, upon written request, to any holder of the bonds, not more than ninety (90) days after the close of each annual fiscal period, operating and income statements and balance sheets of the sewage works. Such annual statements shall be certified by the City Controller, the person charged with the duty of auditing the sewage works books and records, or an independent certified public accountant employed for that purpose. Copies of all such statements and reports shall at all times be kept on file in the office of the City Controller. Any holder of the bonds shall have the right at all reasonable times to inspect the sewage works and the records, accounts and data of the City relating thereto. Such inspections may be made by representatives duly authorized by written instrument.

## **RIGHTS AND REMEDIES OF REVENUE BONDHOLDERS**

The provisions of this ordinance shall constitute a contract by and between the City of Fort Wayne and the holders of the bonds herein authorized and after the issuance of the bonds this ordinance shall not be repealed or amended in any respect which will adversely affect the rights and interests of the holders of said bonds, nor shall the Common Council of the City adopt any law, ordinance or resolution in any way adversely affecting the rights of such holders so long as any of the bonds or the interest thereon remain unpaid.

Subject to the terms and provisions contained in the Ordinances, as exhibited elsewhere in this Official Statement, the holders of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amounts of the bonds issued and then outstanding shall have the right to consent to modifications to the Ordinance except to the extent of permitting:

- (a) An extension of the maturity of the principal of or interest on any bond issued; or
- (b) A reduction in the principal amount of any bond, redemption premium or rate of interest; or
- (c) The creation of a lien upon or a pledge of the revenues of the sewage works ranking prior to the pledge created by the Ordinance; or
- (d) A preference or priority of any bond or bonds issued pursuant to the Ordinance over any other bond or bonds issued pursuant to the Ordinance; or
- (e) A reduction in the aggregate principal amount of the bonds required for consent to such modifications.

The holders of the bonds shall have all of the rights, remedies and privileges, set forth in the provisions of The Indiana Code of 1971, Title 36, Article 9, Chapter 23.

### **MISCELLANEOUS PROVISIONS OF THE ORDINANCES**

The City shall at all times maintain the sewage works in good condition and conduct operations in an efficient manner and at a reasonable cost.

The City shall maintain insurance on the insurable parts of the sewage works of a kind and in an amount such as is usually carried by private companies engaged in a similar type of business. All insurance shall be placed with responsible insurance companies qualified to do business in the State of Indiana, and any insurance proceeds collected shall be used in replacing the property destroyed or damaged, or if not needed for that purpose, shall be applied as net revenues of the sewage works.

The City shall not mortgage, pledge, or otherwise encumber its sewage works or any part thereof, and shall not sell, lease, or otherwise dispose of any portion thereof except such equipment which may become worn out or obsolete and shall be replaced; nor shall the City, except as expressly provided by the Ordinances concerning the issuance of additional revenue bonds, execute or issue any additional bonds or other obligations pledging any portion of the revenues of the sewage works unless made subordinate and junior in all respects to the bonds presently outstanding and the bonds now offered.

If, prior to the maturity of the Bonds authorized by the Ordinances herein, the City deposits in trust sufficient funds or certain authorized interest bearing obligations to pay the whole amount of the principal and interest due and payable at maturity of all the Bonds and coupons then outstanding, then the Bonds shall no longer be deemed to be outstanding nor entitled to the pledge of the net revenue of the City's sewage works.

### **LEGAL OPINIONS**

Legal matters incident to the authorization and issuance of the Revenue Bonds are subject to the unqualified approving opinion of Ice Miller Donadio & Ryan, Indianapolis, Indiana, Bond Counsel. Copies of such opinion will be furnished to the purchaser of the Revenue Bonds at the time of the delivery and the opinion will be printed on the Bonds. Ice Miller Donadio & Ryan have not investigated or examined the facts, figures, financial statements or other representations contained in this Official Statement and are not expressing an opinion as to whether this Official Statement contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements herein not misleading.

### **TAX EXEMPTION**

In the opinion of Ice Miller Donadio & Ryan, Bond Counsel, the interest on the Bonds is now exempt from federal income taxes under existing statutes, decisions, regulations and rulings. In the opinion of Bond Counsel, the Bonds, proceeds received by a holder from the sale of the Bonds to the extent of the holder's cost of acquisition, proceeds received upon redemption prior to maturity, proceeds received at maturity, and interest on the Bonds are exempt from present Indiana taxes except Indiana inheritance taxes.

### **RATINGS**

Ratings of the Bonds being offered herein have been applied for by the City. The City has furnished to the bond rating agency, at their request, supplemental information relating to the finances of the City which has not been included in this Official State-

ment. There is no assurance that said agency will grant ratings; nor what ratings may be granted; nor for what definitive period such ratings would be in effect, changed or withdrawn.

### **ACCURACY REPRESENTATION AND AUTHORIZATION**

The foregoing summaries and statements in this Official Statement do not purport to be complete and are expressly made subject to the exact provisions of the complete documents. For details of all terms and conditions, prospective purchasers are referred to the Official Bond Sale Notices and the Ordinances contained elsewhere herein.

Any statements in this Official Statement and Appendices involving matters of opinion, whether or not expressly so stated, are intended as such and are not presented as unqualified statements of fact. The information contained herein has been carefully compiled from sources deemed reliable and to the best knowledge and belief of the City there are no untrue statements nor omissions of material facts in the Official Statement and Appendices which would make the statements and representations therein misleading.

Certain supplemental information concerning the financial condition of the City and the consultant's report, which are exhibited hereafter, are all considered part of this Official Statement.

The presentation of all financial and supplemental information including comparative financial data is intended to show recent historical trends.

This Official Statement has been prepared on behalf of the City of Fort Wayne by Municipal Consultants, Inc. with offices in Indianapolis, Indiana and Maitland, Florida, which firm was so employed for such purpose. Inquiries concerning information contained in the Official Statement and Appendices should be directed to said Municipal Consultants, Inc., attention Bernard T. Perry (305-644-1068).

The execution of this Official Statement has been duly authorized by the City of Fort Wayne.

CITY OF FORT WAYNE, INDIANA

/s/ Winfield C. Moses, Jr.  
Winfield C. Moses, Jr., Mayor

## ORDINANCE NO. S-88-82

An Ordinance concerning the construction of additions and improvements to the sewage works of the City of Fort Wayne, the issuance of connection revenues bonds to provide the cost thereof, the collection, segregation and distribution of the revenues of said works, the safeguarding of the interests of the holders of said connection revenue bonds, other matters connected therewith and repealing ordinances inconsistent therewith

WHEREAS, the City of Fort Wayne has heretofore established, constructed and financed sewage works pursuant to Chapter 61 of the Acts of the Indiana General Assembly for the year 1932 (Special Session), and now owns and operates said sewage works pursuant to I.C. 36-9-23 (the "Act"); and

WHEREAS, the Common Council of the City of Fort Wayne, Indiana, now finds that said sewage works is in need of certain additions and improvements to construct interception sewers being partially financed by federal and state grants; that plans and specifications for said additions and improvements have been approved by said Council and by all governmental authorities having jurisdiction, particularly the Stream Pollution Control Board of the State of Indiana; and

WHEREAS, the Board of Public Works and Safety has advertised for and received bids for the construction of said additions and improvements; that said bids are subject to the City's determination to construct said works and subject to the City's obtaining funds to pay for said works; that on the basis of said bids the cost of said works, over and above the amounts available from said federal and state grants, to be financed by revenue bonds, as outlined at I.C. 36-9-23-11, including funded reserves and estimated incidental expenses, is in the amount of Four Million Dollars (\$4,000,000); and

WHEREAS, the Common Council finds that the cost of said additions and improvements cannot be provided for out of funds of the sewage works now on hand or to be received prior to the completion thereof; that funds to apply on the cost should be provided by the issuance of additional revenue bonds payable solely out of the net revenues of the City's sewage works; that the financial advisor to the City of Fort Wayne has advised that reserves in the amount of \$600,000 funded by bond proceeds are necessary expenses in financing the works and that the engineer has included those reserves in the estimate of the aforementioned cost of the works; and

WHEREAS, the Common Council intends that the connection fees of approximately 2,350 resident users of the sewage works will be applied to payment on the bonds and that said fees will legally be classified as net revenues pursuant to I.C. 36-9-23-29; and

WHEREAS, the Common Council finds that there are now outstanding bonds issued on account of the construction and improvement of the City's sewage works and payable out of the net revenues therefrom designated "Sewage Works Improvement Revenue Bonds," (hereinafter the "1959 Bonds") dated November 1, 1959, now outstanding in the amount of One Million Eighty-five Thousand Dollars (\$1,085,000), bearing interest at the rates of three and seven-eighths per cent (3 7/8%) or three and one-quarter per cent (3 1/4%) per annum, depending on the maturities, maturing on August 1 in the years 1982 to 1990 inclusive, which bonds constitute a first charge upon the net revenues of the sewage works; and

WHEREAS, the Common Council finds that there are also outstanding bonds issued on account of the construction and improvement of the City's sewage works and payable out of the net revenues therefrom designated "Sewage Works Improvement Revenue Bonds of

1961," (hereinafter the "1961 Bonds") dated August 1, 1961, now outstanding in the amount of One Million One Hundred Ninety Thousand Dollars (\$1,190,000), bearing interest at the rates of three and three-quarters per cent (3 3/4%) per annum, maturing on August 1 in the years 1982 to 1993 inclusive, which bonds are on a parity with the 1959 Bonds and also constitute a first charge upon the net revenues of the sewage works; and

WHEREAS, the Common Council finds that there are also outstanding bonds issued on account of the construction and improvement of the City's sewage works and payable out of the net revenues therefrom designated "Sewage Works Improvement Revenue Bonds of 1970," (hereinafter the "1970 Bonds") dated April 1, 1970, now outstanding in the amount of Two Million Two Hundred Fifty-five Thousand Dollars (\$2,255,000), bearing interest at the rates of six and seven-tenths per cent (6.7%), six and five-tenths per cent (6.5%), six and seven-tenths per cent (6.7%), six and nine-tenths per cent (6.9%) or seven per cent (7.0%) per annum, depending on the maturities, maturing on August 1 in the years 1982 to 1995 inclusive, which bonds are on a parity with the 1959 Bonds and 1961 Bonds and also constitute a first charge upon the net revenues of the sewage works; and

WHEREAS, the Common Council finds that there are also outstanding bonds issued on account of the construction and improvement of the City's sewage works and payable out of the net revenues therefrom designated "Sewage Works Improvement Revenue Bonds of 1975," (hereinafter the "1975 Bonds") dated January 1, 1975, now outstanding in the amount of Six Million Fifty Thousand Dollars (\$6,050,000), bearing interest at the rates of six and five-tenths per cent (6.5%), six and seven-tenths per cent (6.7%) or five per cent (5%) per annum, depending on the maturities, maturing on August 1 in the years 1982 to 1997 inclusive, which bonds are on a parity with the 1959 Bonds, 1961 Bonds and 1970 Bonds and also constitute a first charge upon the net revenues of the sewage works; and

WHEREAS, the ordinances authorizing the issuance of the now outstanding 1959 Bonds, 1961 Bonds, 1970 Bonds and 1975 Bonds permit the issuance of additional bonds ranking on a parity with said bonds provided certain conditions can be met, and the City finds that the finances of said sewage works are such as will enable meeting the conditions for the issuance of additional parity bonds and that, accordingly, the additional revenue bonds shall be on a parity with the now outstanding 1959 Bonds, 1961 Bonds, 1970 Bonds and 1975 Bonds; and

WHEREAS, the Common Council finds that certain bonds may be issued at approximately the same time as the bonds to be issued hereunder which bonds are tentatively designated "Sewage Works Revenue Bonds of 1982" (hereinafter the "1982 Bonds") and which bonds will also rank on a parity with the 1959 Bonds, 1961 Bonds, 1970 Bonds and 1975 Bonds; and

WHEREAS, the Common Council now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of said additional revenue bonds have been complied with in accordance with the provisions of the Act hereinbefore referred to; now therefore,

BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF FORT WAYNE, INDIANA:

Section 1. That the City proceed with the construction of additions and improvements to its sewage works in accordance with the plans and specifications heretofore or from time to time prepared and filed by City engineers, which plans and specifications are by reference made a part of this ordinance as fully as if the same were attached hereto and incorporated herein and two copies of which are now on file in the office of the Clerk of the City of Fort Wayne, Indiana, and are open for public inspection pursuant to I.C. 36-1-5-4, that the cost of construction of said additions and improvements, including the funding of a debt reserve in the amount of \$600,000 and the cost of issuance shall not

exceed the sum of Four Million Dollars (\$4,000,000) without further authorization from this Common Council. The terms "sewage treatment works," "works," and other like terms where used in this ordinance shall be construed to mean and include all structures and property of the City's sewer utility, including items defined at I.C. 36-9-1-8. Said additions and improvements to the sewage works shall include facilities to construct interceptor sewers being partially financed by federal and state grants and shall be constructed in accordance with the plans and specifications heretofore mentioned, which plans and specifications are hereby approved. Said additions and improvements shall be constructed and the bonds herein authorized shall be issued pursuant to and in accordance with the provision of I.C. 36-9-23, and all acts supplemental thereto, relating to the issuance of revenue bonds, hereinafter sometimes referred to as the "Act" or "Acts."

Sec. 2. The City shall issue its sewage works revenue bonds in the amount of Four Million Dollars (\$4,000,000) for the purpose of procuring funds to apply on the cost of said works, including the funding of a debt reserve in the amount of \$600,000 and the cost of issuance. Any provisions of this ordinance to the contrary notwithstanding, said bonds shall rank on a parity with the outstanding 1959 Bonds, 1961 Bonds, 1970 Bonds and 1975 Bonds and, if issued, the 1982 Bonds.

Said bonds shall be issued in the denomination of Five Thousand Dollars (\$5,000), numbered consecutively from 1, dated as of the first day of the month in which sold, and shall bear interest at a rate or rates not exceeding fourteen per cent (14%) per annum (the exact rate or rates to be determined by bidding), payable on the first days of February and August in each year, beginning August 1, 1982. Such interest shall be evidenced by coupons attached to said bonds. Both bonds and interest coupons shall be payable in lawful money of the United States of America, at the principal office of the Lincoln National Bank and Trust Company of Fort Wayne, in the City of Fort Wayne, Indiana, or at the option of the holder, at the Continental Illinois National Bank and Trust Company, in the City of Chicago, Illinois, or at the Irving Trust Company, in the Borough of Manhattan, in the City and State of New York, and such bonds shall mature serially in numerical order on August 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
1985	\$ 60,000	1993	\$ 170,000
1986	70,000	1994	195,000
1987	80,000	1995	220,000
1988	90,000	1996	360,000
1989	100,000	1997	410,000
1990	115,000	1998	825,000
1991	130,000	1999	940,000
1992	150,000	2000	85,000

The bonds of this issue are not redeemable prior to maturity.

Sec. 3. Said bonds shall be signed in the name of the City of Fort Wayne by manual or facsimile signature of the Mayor, countersigned by the manual or facsimile signature of the City Controller and attested by the manual or facsimile signature of the Clerk, who shall affix the seal of said City to each of said bonds manually or shall have the seal imprinted or impressed thereon by facsimile or by any other means. The interest coupons attached to said bonds shall be executed by placing thereon the facsimile signatures of the Mayor and City Controller, and said officials, by the signing of said bonds, shall adopt as and for their own proper signatures their facsimile signatures appearing on said coupons. Said bonds may, where appropriate, bear the manual or facsimile signatures of validly appointed Deputy officials. Said bonds shall have all of the qualities and incidents of negotiable instruments under the laws of the State of Indiana.



Said bonds shall be negotiable by delivery unless registered. Upon presentation of any of the bonds at the office of the City Controller in the City of Fort Wayne, said City Controller shall register said bonds as to principal without charge or expense to the holder. Such registry shall be noted on each bond so presented, after which no transfer thereof shall be valid unless made by the registered owner in person or by his attorney duly authorized and similarly noted on such bond, but bonds so registered may be discharged from registry by being in like manner retransferred to bearer, after which they shall be transferable by delivery but may again be registered as before. The registration of any bond shall not affect the negotiability of the interest coupons attached thereto, but such coupons shall continue to pass by delivery merely and shall remain payable to bearer.

Said bonds, the 1959 Bonds, 1961 Bonds, 1970 Bonds, 1975 Bonds, and, if issued, the 1982 Bonds, and any bonds ranking on a parity therewith, as to both principal and interest, shall be payable from and secured by an irrevocable pledge of and shall constitute a first charge upon all the net revenues (herein defined as the gross revenues after deduction only for the payment of the reasonable expenses of operation, repair and maintenance) derived from the sewage works of the City, including the works heretofore constructed and all additions and improvements thereto and replacements thereof presently or subsequently constructed or acquired. The City shall not be obligated to pay said bonds or the interest thereon except from the net revenues of said works, and said bonds shall not constitute an indebtedness of the City within the meaning of the provisions and limitations of the constitution of the State of Indiana.

Sec. 4. The form and tenor of said bonds, the interest coupons to be attached thereto, and the form of registry endorsement thereon shall be substantially as follows, all blanks to be filled in properly prior to delivery thereof;

UNITED STATES OF AMERICA

State of Indiana

County of Allen

No. \_\_\_\_\_

\$5,000

CITY OF FORT WAYNE  
SEWER CONNECTION REVENUE BOND OF 1982

The City of Fort Wayne, in Allen County, State of Indiana, for value received, hereby promises to pay to the bearer, or if this bond be registered then to the registered holder, solely out of the special revenue fund hereinafter referred to, the principal amount of

FIVE THOUSAND DOLLARS

on the first day of August, \_\_\_\_\_ and to pay interest thereon from the date hereof until the principal is paid, at the rate of \_\_\_\_\_ per cent (%) per annum, payable on the first days of February and August in each year, beginning on August 1, 1982, upon presentation and surrender of the annexed coupons as they severally become due.

Both principal and interest of this bond are payable in lawful money of the United States of America, at the principal office of the Lincoln National Bank and Trust company of Fort Wayne, in the City of Fort Wayne, Indiana, or at the option of the holder, Continental Illinois National Bank and Trust Company, in the City of Chicago, Illinois, or at the Irving Trust Company, in the Borough of Manhattan, in the City of New York.



This bond is one of an authorized issue of eight hundred (800) bonds of the City of Fort Wayne, of like date, tenor and effect, except as to numbering, interest rates, and dates of maturity, in the total amount of Four Million Dollars (\$4,000,000), numbered from 1 to 800 inclusive, issued for the purpose of providing funds to be applied on the cost of additions and improvements to the City's sewage works, including the funding of a debt reserve in the amount of \$600,000 and the cost of issuance, as authorized by an ordinance adopted by the Common Council of the City of Fort Wayne on the \_\_\_\_\_ day of \_\_\_\_\_, 1982, entitled "An Ordinance concerning the construction of additions and improvements to the sewage works of the City of Fort Wayne, the issuance of revenue bonds to provide the cost thereof, the collection, segregation and distribution of the revenues of said works, the safeguarding of the interests of the holders of said revenue bonds, other matters connected therewith and repealing ordinances inconsistent therewith," and in strict compliance with the provisions of I.C. 36-9-23.

Pursuant to the provisions of said Act and said ordinance, the principal and interest of this bond and all other bonds of said issue, the Sewage Works Improvement Revenue Bonds, dated November 1, 1959, the Sewage Works Improvement Revenue Bonds of 1961, dated August 1, 1961, the Sewage Works Improvement Revenue Bonds of 1970, dated April 1, 1970, the Sewage Works Improvement Revenue Bonds of 1975, dated January 1, 1975, and certain Sewage Works Revenue Bonds of 1982 ("1982 Bonds") which may be issued by the City of Fort Wayne at approximately the same time as this bond and all other bonds of said issue, and any bonds ranking on a parity therewith, are payable solely from the Sewage Works Sinking Fund, or, as to the 1982 Bonds, will be payable from the Sewage Works Sinking Fund (heretofore created by Ordinance No. 1939, adopted July 26, 1938, and continued by the ordinances authorizing the issuance of the aforementioned outstanding bonds) to be provided from the net revenues (herein defined as the gross revenues after deduction only for the payment of the reasonable expenses of operation, repair and maintenance) derived from the sewage works of the City of Fort Wayne, including the additions and improvements constructed or acquired by the use of the proceeds of this bond and the issue of which it is a part, and all additions and improvements thereto and replacements thereof subsequently constructed or acquired. This bond and the issue of which it is a part are of equal priority, in respect to the application of said net revenues, with certain Sewage Works Improvement Revenue Bonds, dated November 1, 1959, now outstanding in the amount of One Million Eighty-five Thousand Dollars (\$1,085,000) bearing interest at the rates of three and seven-eighths per cent (3 7/8%) or three and one-quarter per cent (3 1/4%) per annum, depending on the maturities and maturing annually over a period ending on August 1, 1990, with certain Sewage Works Improvement Revenue Bonds of 1961, dated August 1, 1961, now outstanding in the amount of One Million One Hundred Ninety Thousand Dollars (\$1,190,000), bearing interest at the rate of three and three-quarters per cent (3 3/4%) per annum, maturing annually over a period ending on August 1, 1993, with certain Sewage Works Improvement Revenue Bonds of 1970, dated April 1, 1970, now outstanding in the amount of Two Million Two Hundred Fifty-five Thousand Dollars (\$2,255,000), bearing interest at the rates of six and seven-tenths per cent (6.7%), six and five-tenths per cent (6.5%), six and seven-tenths per cent (6.7%), six and nine-tenths per cent (6.9%) or seven per cent (7.0%) per annum, depending on the maturities, and maturing annually over a period ending on August 1, 1995 and with certain Sewage Works Improvement Revenue Bonds of 1975, dated January 1, 1975, now outstanding in the amount of Six Million Fifty Thousand Dollars (\$6,050,000), bearing interest at the rates of six and five-tenths per cent (6.5%), six and seven-tenths per cent (6.7%) or five per cent (5%) per annum, depending on the maturities, maturing annually over a period ending on August 1, 1997, in accordance with the terms thereof. This bond shall also be on a

parity with the 1982 Bonds, if issued. This bond shall not constitute an indebtedness of the City of Fort Wayne within the meaning of the provisions and limitations of the constitution of the State of Indiana, and the City shall not be obligated to pay this bond or the interest thereon except from said special fund provided from said net revenues.

The City of Fort Wayne irrevocably pledges the entire net revenues of said sewage works to the prompt payment of the principal of and interest on the bonds authorized by said ordinance, of which this is one, and any bonds ranking on a parity therewith, including said Sewage Works Improvement Revenue Bonds, dated November 1, 1959, the Sewage Works Improvement Revenue Bonds of 1961, dated August 1, 1961, the Sewage Works Improvement Revenue Bonds of 1970, dated April 1, 1970, the Sewage Works Improvement Revenue Bonds of 1975, dated January 1, 1975, and the 1982 Bonds, if issued, to the extent necessary for that purpose, and covenants that it will cause to be fixed, maintained and collected such rates and charges for service rendered by said works as are sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of said works, to provide for proper depreciation, for the payment of the sums required to be paid into said Sinking Fund under the provisions of said Acts and said ordinance. In the event the City or the proper officers thereof shall fail or refuse to so fix, maintain and collect such rates or charges, or if there be a default in the payment of the interest on or principal of this bond, the holder of this bond shall have all of the rights and remedies provided for in said I.C. 36-9-23 and the acts amendatory thereof and supplemental thereto, including the right to have a receiver appointed to administer the works and to charge and collect rates sufficient to provide for the payment of this bond and the interest hereon.

The City of Fort Wayne further covenants that it will set aside and pay into its Sewage Works Sinking Fund a sufficient amount of the net revenues of said works to meet (a) the interest on all bonds payable from the revenues of said sewage works, as such interest shall fall due, (b) the necessary fiscal agency charges for paying all bonds and interest, (c) the principal of all bonds payable from the revenues of said sewage works, as such principal shall fall due, and (d) an additional amount as a margin of safety, which margin, together with any unused surplus of such margin carried forward from the preceding year, shall equal not less than ten per cent (10%) of all other amounts so required to be paid into said sinking fund together with other sums to be held as reserves as provided in said ordinance. Such required payment shall constitute a first charge upon all the net revenues of said works on a parity with the aforementioned Sewage Works Improvement Revenue Bonds, dated November 1, 1959, Sewage Works Improvement Revenue Bonds of 1961, dated August 1, 1961, Sewage Works Improvement Revenue Bonds of 1970, dated April 1, 1970 and the Sewage Works Improvement Revenue Bonds of 1975, dated January 1, 1975 and the 1982 Bonds, if issued.

If any bond or interest coupon shall not be presented for payment on the date fixed therefor, the City may deposit in trust with the Lincoln National Bank and Trust Company of Fort Wayne, in the City of Fort Wayne, Indiana, an amount sufficient to pay such bond or interest coupon, as the case may be, and thereafter the holder shall look only to the funds so deposited in trust with said bank for payment and the City shall have no further obligation or liability in respect thereto.

This bond and all other bonds of said issue shall have all the qualities and incidents of negotiable instruments under the laws of the State of Indiana. This bond may be registered as to principal at the office of the City Controller in the City of Fort Wayne, Indiana, in the name of the owner hereof, and such registration noted hereon by said City Controller. Thereafter no transfer hereof shall be valid

unless made at said office by the registered owner in person or by his duly authorized attorney and similarly noted hereon, but this bond may be discharged from registration by being in like manner transferred to bearer and may again from time to time be registered or transferred to bearer as before. Such registration shall not restrict or affect the negotiability of the interest coupons hereto attached by delivery only, but such interest coupons shall always be payable to bearer.

The bonds of this issue are not redeemable prior to maturity.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the execution, issuance and delivery of this bond have been done and performed in regular and due form as provided by law.

IN WITNESS WHEREOF, the City of Fort Wayne, in Allen County, State of Indiana, has caused this bond to be executed in its corporate name by the manual or facsimile signature of the Mayor of the City, countersigned by the manual or facsimile signatures of the City Controller, its corporate seal to be hereunto affixed manually, or imprinted or impressed thereon by facsimile or by any other means, and attested manually or by facsimile by its Clerk, and the interest coupons hereto attached to be executed by placing thereon the facsimile signatures of the Mayor and City Controller, as of the first day of \_\_\_\_\_, 1982.

CITY OF FORT WAYNE

By \_\_\_\_\_  
Mayor

Countersigned:

\_\_\_\_\_  
City Controller

Attest:

\_\_\_\_\_  
Clerk

(Interest Coupon)

Coupon No. \_\_\_\_\_ \$ \_\_\_\_\_

On \_\_\_\_\_ 1, \_\_\_\_\_, the City of Fort Wayne, Indiana, will pay to bearer, at the principal office of the Lincoln National Bank and Trust Company of Fort Wayne, in the City of Fort Wayne, Indiana, or at the option of the holder, at the Continental Illinois National Bank and Trust Company, in the City of Chicago, Illinois, or at the Irving Trust Company, in the Borough of Manhattan, in the City of New York, New York, out of its Sewage Works Sinking Fund, the amount shown hereon in lawful money of the United States of America, being the interest then due on its Sewage Works Revenue Bond of 1982, dated \_\_\_\_\_ 1, 1982, No. \_\_\_\_\_.

CITY OF FORT WAYNE

By \_\_\_\_\_ (facsimile)  
Mayor

\_\_\_\_\_  
City Controller

## REGISTRATION ENDORSEMENT

This bond can be registered only at the office of the Clerk in the City of Fort Wayne, Indiana. No writing hereon except by the City Controller.

Date of Registry	In Whose Name Registered	City Controller
_____	_____	_____
_____	_____	_____
_____	_____	_____

Sec. 5. The City Controller is hereby authorized and directed to have said bonds and coupons prepared, and the Mayor, Clerk and City Controller are hereby authorized and directed to execute said bonds and the interest coupons to be attached thereto, in the form and manner herein provided. The City Controller or the Clerk are hereby authorized and directed to deliver said bonds to the purchaser thereof after sale made in accordance with the provisions of this ordinance, provided that at the time of said delivery the City Controller or the Clerk shall collect the full amount which the purchaser has agreed to pay therefor, which shall not be less than the face value of said bonds, plus accrued interest from the date thereof to the date of delivery. The bonds herein authorized, when fully paid for and delivered to the purchaser, shall be the binding special revenue obligations of the City, payable out of the net revenues of the City's sewage works to be set aside into the Sewage Works Sinking Fund as herein provided, and the proceeds derived from the sale of said bonds shall be and are hereby set aside for application on the cost of acquisition, construction and installation of said additions and improvements to the sewage works hereinbefore referred to, funding a debt reserve in the amount of \$600,000 and the expenses necessarily incurred in connection therewith. The proper officers of the City are hereby directed to draw all proper and necessary warrants, and to do whatever acts and things which may be necessary to carry out the provisions of this ordinance.

Sec. 7. Prior to the sale of said bonds, the City Controller shall cause to be published a notice of such sale in the News-Sentinel and the Journal-Gazette, the only newspapers published in the City of Fort Wayne, Indiana, two times, at least one week apart, the first publication made at least fifteen (15) days before the date of the sale and the second publication being made at least three (3) days before the date of the sale, all in accordance with I.C. 5-1-11 and I.C. 5-3-1. A notice of sale may also be published one time in The Indianapolis Commercial, and a notice or summary notice may also be published in The Bond Buyer in New York, New York. The bond sale notice shall state the time and place of sale, the character and amount of the bonds, the maximum rate of interest thereon, the terms and conditions upon which bids will be received and the sale made, and such other information as the Controller or the Clerk and the attorneys employed by the City shall deem advisable and any summary notice may contain any information deemed so advisable. Said notice shall provide, among other things, that each bid shall be accompanied by a certified or cashier's check in the amount of Forty Thousand Dollars (\$40,000) to guarantee performance on the part of the bidder, and that in the event the successful bidder shall fail or refuse to accept delivery of the bonds and pay for the same as soon as the bonds are ready for delivery, or at the time fixed in the notice of sale, then said check and the proceeds thereof shall be the property of the City and shall be considered as its liquidated damages on account of such default; that bidders for said bonds will be required to name the rate or rates of interest which the bonds are to bear, not exceeding the maximum rate hereinbefore fixed, and that such

interest rate or rates shall be in multiples of one-eighth (1/8) or one-tenth (1/10) of one per cent (1%). The rate bid on a maturity shall be equal to or greater than the rate bid on the immediately preceding maturity and not more than four (4) different interest rates shall be named by a bidder. No conditional bids will be considered. The opinion of Ice Miller Donadio & Ryan, bond counsel of Indianapolis, Indiana, approving the legality of said bonds, will be furnished to the purchaser at the expense of the City.

The bonds shall be awarded by the City Controller to the highest qualified bidder who has submitted his bid in accordance with the terms of this ordinance and the notice of sale. The highest bidder will be the one who offers the lowest net interest cost to the City, to be determined by computing the total interest on all of the bonds to their maturities and deducting therefrom the premium bid, if any. The right to reject any and all bids shall be reserved. If an acceptable bid is not received on the date of sale the sale may be continued from day to day thereafter without further advertisement for a period of thirty (30) days, during which time no bid which is lower than the highest bid received at the time of the advertised sale will be considered.

Sec. 8. The accrued interest and premium received at the time of the delivery of the bonds, if any, shall be deposited in the Sewage Works Sinking Fund heretofore created by Ordinance No. 1939, adopted July 26, 1938 and continued by the ordinances authorizing the issuance of the 1959 Bonds, the 1961 Bonds, the 1970 Bonds and the 1975 Bonds. Bond proceeds in the amount of \$600,000 will be deposited, pursuant to the advice of the City's financial advisor that such funding is a necessary expense of financing the works under I.C. 36-9-23-11 and the inclusion of that funding in the engineer's estimate of the cost of the works, in the Sewage Works Sinking Fund described in Section 9 hereof, which sum will be held as a debt service reserve therein and credited to the City's obligation thereunder to accumulate net revenues therein as a margin of safety. Said financial advisor has also advised the City that said reserve is reasonably required in order to enhance the marketability of the bonds and that, without this reserve, the bonds would be unmarketable or the interest rate demanded by investors would affect the economic feasibility of the project. The remaining proceeds from the sale of said bonds shall be deposited in a bank or banks which are legally designated depositories for the funds of the City, in a special account or accounts to be designated as "City of Fort Wayne, Sewage Works Construction Account." All funds deposited to the credit of said Sewage Works Sinking Fund or Sewage Works Construction account shall be deposited, held, secured or invested in accordance with the laws of the State of Indiana relating to the depositing, holding, securing or investing of public funds, including particularly I.C. 5-13-1, and the acts amendatory thereof and supplemental thereto. The depository or depositories for said Sewage Works Sinking Fund shall be a bank which shall be a member of the Federal Reserve System and of the Federal Deposit Insurance Corporation, or like organizations having similar powers and duties. The funds in said special account or accounts shall be expended only for the purpose of paying the cost of the works, as defined in I.C. 36-9-1-8 and 36-9-23, or as otherwise required by said Acts, or for funding a debt reserve in the amount of \$600,000 or for the expenses of issuance of the bonds. The cost of obtaining the opinion of Ice Miller Donadio & Ryan shall be considered as a part of the cost of the project on account of which the bonds are issued, and shall be paid out of the proceeds of the bonds or out of the revenues of the sewage works.

The Common Council authorizes the insurance of the bonds with a municipal bond insurance company if the City Controller, acting on the advice of the City's financial consultant and engineer, finds that such insurance advisable and a necessary expense of financing the sewage works. The cost of obtaining said insurance shall be considered as a part of the cost of the project on account of which the bonds are issued, and shall be paid out of the proceeds of the bonds or out of other funds of the sewage works.

The City covenants that it will not invest the proceeds of said bonds, or any moneys treated as proceeds by the Internal Revenue Service, in any manner, or take or fail to take any other action, which would result in said bonds constituting "arbitrage bonds" within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended, or the Treasury Regulations or any Revenue Rulings promulgated thereunder, or as determined by any court of competent jurisdiction.

Any balance or balances remaining unexpended in such special account or accounts after completion of the works, which are not required to meet unpaid obligations incurred in connection with such construction, shall be paid into the Sewage Works Sinking Fund and shall be used solely for the purposes of said fund.

Sec. 9. The special fund designated "Sewage Works Sinking Fund" created by Ordinance No. 1939, adopted on July 26, 1938 and continued for the payment of the outstanding 1959 Bonds, 1961 Bonds, 1970 Bonds and 1975 Bonds is hereby designated as the special fund for the payment of the interest on and principal of the revenue bonds authorized by this ordinance and the payment of any fiscal agency charges in connection with the payment of the bonds and coupons. Said fund shall be continued until all of the bonds issued under said prior ordinances and this ordinance have been paid. There shall be set aside and paid into said Sinking Fund monthly, as available, or more often if necessary, a sufficient amount of the net revenues of said sewage works for the payment of (a) the interest on all bonds which by their terms are payable from the revenues of the sewage works, as such interest shall fall due, (b) the necessary fiscal agency charges for paying said bonds and interest, (c) the principal of all bonds which by their terms are payable from the revenues of the sewage works as they fall due, and (d) an additional amount as a margin of safety, which margin, together with any unused surplus of such margin carried forward from the preceding year, shall equal not less than ten per cent (10%) of all other amounts so required to be paid into said Sinking Fund. The term "net revenues" as used in this section shall be construed to mean the revenues after deduction only for the reasonable cost of operation, maintenance and repair. The monthly payments into the said Sinking Fund shall be in an amount equal to at least one-twelfth (1/12) of the amount required for such payments during the then next succeeding twelve (12) calendar months and shall continue until such time as said fund shall contain an amount sufficient to pay all of the bonds then outstanding, together with the interest thereon to the dates of maturity thereof. In addition to said required monthly payments into the Sewage Works Sinking Fund, all of the net revenues of said sewage works not used in making said required sinking fund payments shall be set aside and paid into said Sinking Fund monthly, as available, until there has been accumulated in said Sewage Works Sinking Fund, over and above said required payment but including the funded reserves and investment income thereon an amount equal to the sum of the principal and interest on all then outstanding bonds which will be payable during the then next succeeding twelve (12) calendar months. Said Fund shall be maintained at such levels, and additional amounts of net revenues shall be deposited in said Fund to the extent necessary to maintain such levels.

In no event shall any part of the Sewage Works Sinking Fund be used in purchasing bonds, except to the extent that the amount then in said Sinking Fund exceeds the amount required to pay the principal of the bonds payable therefrom which will mature within a period of twelve (12) calendar months next following the date of such purchase, together with all interest on the bonds payable. Any such excess of funds above said required levels may be used in purchasing outstanding bonds at a price less than the applicable price at maturity, if first approved by the Board of Public Works and Safety. Moneys in said Sinking Fund shall not be used for any other purpose whatsoever except as provided in this ordinance.



If the City shall, for any reason, fail to pay into said Sinking Fund the full amount and at the respective times above stipulated, then an amount equivalent to such deficiency shall be set apart and paid into said fund from the first available revenues and same shall be in addition to the minimum amounts otherwise herein provided to be so set apart and paid.

Withdrawals shall be made from the said Sinking Fund and remitted to the places of payment of the interest and principal to meet such payments when due and it is to be understood that appropriate arrangements will be made so that the coupons and bonds will be promptly paid when due and presented at any of the designated alternate places of payment.

The City covenants that it will not make any investment of moneys in said Fund in any manner, or take or fail to take any other action, which would result in the bonds constituting arbitrage bonds within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended, or the Treasury Regulations or any Revenue Rulings promulgated thereunder, or as determined by any court of competent jurisdiction.

The Sinking Fund, as aforesaid, shall be used solely and only and is hereby pledged for the purpose of paying principal of and interest on the bonds which by their terms are payable from said funds. Upon the delivery of said bonds and receipt of the proceeds all sums received as accrued interest and premium, if any, shall be placed in the Sinking Fund.

Sec. 10. (a) The City covenants that the interception sewers constructed hereunder shall be suitable for use as local or lateral sewers abutting or adjoining property served by the works. The City further covenants that the connection fees shall be based on the pro rata cost of constructing said sewers.

(b) The Common Council hereby determines, pursuant to I.C. 36-9-23-29, that the proceeds of connection fees are to be used as net revenues of the sewage works and covenants that said net revenues shall hereinafter be used as provided herein and in the ordinances authorizing the issuance of the 1959 Bonds, 1961 Bonds, 1970 Bonds, 1975 Bonds and the 1982 Bonds, if issued.

Sec. 11. In the event that all required payments into the Sewage Works Sinking Fund have been met to date and there has been accumulated as a reserve in said Sewage Works Sinking Fund, including the bond proceeds deposited, over and above said payments, an amount equal to the respective sums required by Section 9, and there have been accumulated and reserved funds in an amount sufficient for operation, repair and maintenance of the works for the then next succeeding twelve (12) calendar months, and for depreciation, then any excess revenues of the works available may be placed in the Sewage Works Improvement Fund. Moneys in said Fund may be used to pay the costs of improvements, betterments, extensions, enlargements and additions to the works. No revenues of the works shall be deposited in or credited to the Sewage Works Improvement Fund which will interfere with the requirements of the Sewage Works Sinking Fund, the accumulation of the required reserve therein, or with the requirements as to reserving funds for the operation, maintenance and repair of the works and for depreciation. All or any portion of the funds accumulated and reserved for operation, repair and maintenance for the then next succeeding twelve (12) calendar months shall be transferred to the Sewage Works Sinking Fund if necessary to prevent a default in the payment of principal of or interest on the bonds payable from said Sinking Fund.

Sec. 12. All revenues received on account of the sewage works shall be segregated and kept in a special fund separate and apart from all other funds of the City. Out of this fund the proper and reasonable expenses of operation, repair and maintenance of the works shall be paid and the requirements of the Sewage Works Sinking Fund shall be

met. The City shall keep proper books of records and accounts, separate from all of its other records and accounts, in which complete and correct entries shall be made and showing all revenues collected from said works and deposited in said fund, and all disbursements made therefrom on account of the operation of the works, and to meet the requirements on the Sewage Works Sinking Fund, also all other financial transactions relating to said works, including the amounts set aside or credited to the Sewage Works Sinking Fund and Sewage Works Improvement Fund, and the cash balance in each of said funds as of the close of the preceding fiscal year. There shall be prepared and furnished, upon written request, to the original purchaser of the bonds, and to any holder of the bonds at the time then outstanding, not more than ninety (90) days after the close of each fiscal year, income and expense and balance sheet statements of the works, covering the preceding fiscal year, which annual statements shall be certified by the City Controller, or the person charged with the duty of auditing the books and records relating to said works, or by licensed independent public accountants employed for that purpose. Copies of all such statements and reports shall be kept on file in the office of the City Controller. Any holder or holders of the bonds then outstanding shall have the right at all reasonable times to inspect the works and all records, accounts and data of the City relating thereto. Such inspections may be made by representatives duly authorized by written instrument.

Sec. 13. The City covenants and agrees that it will establish and maintain just and equitable rates or charges for the use of and the service rendered by said works, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses said sewage works by or through any part of the sewerage system of the City, or that in any way uses or is served by such works; that such rates or charges shall be sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of the works, and for the payment of the sums required to be paid into the Sewage Works Sinking Fund by said governing Act and this ordinance. Such rates or charges shall, if necessary, be changed and readjusted from time to time so that the revenues therefrom shall always be sufficient to meet the expenses of operation, repair and maintenance, depreciation and the requirements of the Sewage Works Sinking Fund. The rates or charges so established shall apply to any and all use of such works by and service rendered to the City and all departments thereof as the charges accrue. The rates or charges so established shall apply to any and all use of such works by and service rendered to the City and all departments thereof, and shall be paid semi-annually by the City or the various departments thereof as the charges accrue.

Sec. 14. If, prior to the maturity of the bonds issued hereunder, (i) sufficient moneys, or (ii) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, the principal of and the interest on which when due will provide sufficient moneys, or (iii) time certificates of deposit fully secured as to both principal and interest by obligations of the kind described in (ii) above of a bank or banks the principal of and interest on which when due will provide sufficient moneys, shall be held in trust for such purpose, to pay the whole amount of the principal and the interest due and payable at maturity upon all of the bonds and coupons then outstanding; then and in that case the bonds issued hereunder shall no longer be deemed outstanding or entitled to the pledge of the net revenues of the City's sewage works.

Sec. 15. The City reserves the right to authorize and issue additional bonds, payable out of the revenues of its sewage works, ranking on a parity with the bonds authorized by this ordinance, for the purpose of financing the cost of future additions, extensions and improvements to the sewage works, subject to the following conditions:

(a) The interest on and principal of all bonds payable from the revenues of the sewage works shall have been paid to date in accordance with the terms thereof.



(b) As of the date of issuance of such additional bonds, there shall have been accumulated and set aside funds in an amount sufficient for operation, repair and maintenance of the works for the then next succeeding twelve (12) calendar months, and the balance in the Sewage Works Sinking Fund shall equal not less than the reserve requirements set forth in Section 9 hereof.

(c) The net revenues of the sewage works in the fiscal year immediately preceding the issuance of any such bonds ranking on a parity with the bonds authorized by this ordinance shall be not less than one hundred twenty-five per cent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional parity bonds proposed to be issued; or, prior to the issuance of said parity bonds, the sewage rates and charges shall be increased sufficiently so that said increased rates and charges applied to the previous fiscal year's operations would have produced net operating revenues for said year equal to not less than one hundred twenty-five per cent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional parity bonds proposed to be issued. For purposes of this subsection, the records of the sewage works shall be analyzed and all showings shall be prepared by a certified public accountant employed by the City for that purpose, who shall certify that he has no pecuniary interest in said additions, extensions or improvements or the financing thereof in any way whatsoever other than to analyze the records of said sewage works and to prepare said showings.

(d) The principal of said additional parity bonds shall be payable on August 1 and the interest on said additional parity bonds shall be payable semi-annually on February 1 and August 1 in the years in which such principal and interest are payable.

Sec. 16. For the purpose of further safeguarding the interests of the holders of the bonds herein authorized, it is specifically provided as follows:

(a) All contracts let or hereinafter to be let by the City in connection with the construction of said additions and improvements to the sewage works shall be let after due advertisement as required by the laws of the State of Indiana, and all contractors shall be required to furnish surety bonds in an amount equal to one hundred per cent (100%) of the amount of such contracts, to insure the completion of said contracts in accordance with their terms, and such contractors shall also be required to carry such employers liability and public liability insurance as are required under the laws of the State of Indiana in the case of public contracts, and shall be governed in all respects by the laws of the State of Indiana relating to public contracts.

(b) Said additions and improvements shall be constructed under the supervision of the City's engineers. All estimates for work done or material furnished shall first be checked by the engineers and approved by the City.

(c) The City shall at all times maintain its sewage works in good condition and operate the same in an efficient manner and at a reasonable cost.

(d) So long as any of the bonds herein authorized are outstanding, the City shall maintain insurance on the insurable parts of said works of a kind and in an amount such as would normally be carried by private companies engaged in a similar type of business. All insurance shall be placed with responsible insurance companies qualified to do business under the laws of the State of Indiana. Insurance proceeds shall be used in replacing or repairing the property destroyed or damaged; or if not used for that purpose shall be treated and applied as net revenues of the works.

(e) So long as any of the bonds are outstanding, the City shall not mortgage, pledge or otherwise encumber such works, or any part thereof, nor shall it sell, lease or otherwise dispose of any portion thereof except replaced equipment which may become worn out or obsolete.

(f) Except as hereinbefore provided in Section 14 hereof, so long as any of the bonds herein authorized are outstanding, no additional bonds or other obligations pledging any portion of the revenues of said sewage works shall be authorized, executed, or issued by the City except such as shall be made subordinate and junior in all respects to the bonds herein authorized, unless all of the bonds herein authorized are retired or defeased pursuant to Section 14 hereof coincidentally with the delivery of such additional bonds or other obligations.

(g) The City shall take all action or proceedings necessary and proper to require connection of all property where liquid and solid waste, sewage, night soil, or industrial waste is produced with available sanitary sewers. The City shall, insofar as possible, cause all such sanitary sewers to be connected with said sewage works.

(h) The provisions of this ordinance shall constitute a contract by and between the City of Fort Wayne and the holders of the sewage works revenue bonds herein authorized, and after the issuance of said bonds, this ordinance shall not be repealed or amended in any respect which will adversely affect the rights of the holders of said bonds, nor shall the Common Council adopt any law, ordinance or resolution which in any way adversely affects the rights of such holders so long as any of said bonds or the interest thereon remain unpaid. Nothing in Section 16 hereof shall be construed as violating this provision.

(i) The provisions of this ordinance shall be construed to create a trust in the proceeds of the sale of the bonds herein authorized for the uses and purposes herein set forth, and the holders of the bonds shall retain a lien on such proceeds until the same are applied in accordance with the provisions of this ordinance and of said governing Act. The provisions of this ordinance shall also be construed to create a trust in the portion of the net revenues herein directed to be set apart and paid into the Sewage Works Bond Sinking Fund for the uses and purposes of said fund as in this ordinance set forth. The holders of said bonds shall have all of the rights, remedies and privileges set forth in the provisions of the governing Acts hereinbefore referred to, including the right to have a receiver appointed to administer said sewage works, in the event of default in the payment of the principal or interest on any of the bonds herein authorized or in the event of default in respect to any of the provisions of this ordinance or the governing Acts.

Sec. 17. Subject to the terms and provisions contained in this section, and not otherwise, the holders of not less than sixty-six and two-thirds per cent (66-2/3%) in aggregate principal amount of the bonds issued pursuant to this ordinance and then outstanding shall have the right, from time to time, anything contained in this ordinance to the contrary notwithstanding, to consent to and approve the adoption by the City of such ordinance or ordinances supplemental hereto as shall be deemed necessary or desirable by the City for the purpose of modifying, altering, amending, adding to or rescinding in any particular any of the terms or provisions contained in this ordinance, or in any supplemental ordinance; provided, however, that nothing herein contained shall permit or be construed as permitting:

(a) An extension of the maturity of the principal of or interest on any bond issued pursuant to this ordinance; or

(b) A reduction in the principal amount of any bond or the redemption premium or the rate of interest thereon; or

(c) The creation of a lien upon or a pledge of the revenues of the sewage works ranking prior to the pledge thereof created by this ordinance; or

(d) A preference or priority of any bond or bonds issued pursuant to this ordinance over any other bond or bonds issued pursuant to the provisions of this ordinance; or

(e) A reduction in the aggregate principal amount of the bonds required for consent to such supplemental ordinance.

The holders of not less than sixty-six and two-thirds per cent (66-2/3%) in aggregate principal amount of the bonds outstanding at the time of adoption of such supplemental ordinance shall have consented to and approved the adoption thereof by written instrument to be maintained on file in the office of the Clerk of the City. No holder of any bond issued pursuant to this ordinance shall have any right to object to the adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the City or its officers from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this section, this ordinance shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this ordinance of the City and all holders of bonds issued pursuant to the provisions of this ordinance then outstanding, shall thereafter be determined exercised and enforced in accordance with this ordinance, subject in all respects to such modifications and amendments. Notwithstanding anything contained in the foregoing provisions of this ordinance, the rights and obligations of the City and of the holders of the bonds authorized by this ordinance, and the terms and provisions of the bonds and this ordinance, or any supplemental ordinance, may be modified or altered in any respect with the consent of the City and the consent of the holders of all the bonds issued pursuant to this ordinance then outstanding.

Sec. 18. The estimate of the rates and charges is:

Article VI. User Charges

Sec. 24-27. User Volume Charges.

The water usage schedule upon which charges for services rendered by the Sewer Utility shall be based on water consumption unless otherwise metered or exempted in accordance with the following user classifications and the following charges for services for each such classifications:

Service Charge (cents per 100 cu. ft.)

	<u>Class of User</u>	
	<u>Domestic</u>	<u>Manufacturing</u>
Treatment	18.74	18.74
Conveyance, Collection, Billing	18.23	11.88
Capital	<u>11.73</u>	<u>8.88</u>
Total User Charge	<u>48.70</u>	<u>39.50</u>

#### Sec. 24-28. User Minimum Charges.

In the event the monthly sewage service charge calculated in accordance with the water consumption schedule in Sec. 24-27 does not exceed the minimum monthly charge for each class of user as set forth thereafter user shall pay said minimum monthly charge in lieu of the charge calculated based on water usage, as follows:

<u>Water Meter Size</u>	<u>Minimum Monthly Charge</u>
5/8 - 3/4"	\$ 2.43
1 - 1/2"	8.58
2"	17.51
3"	35.18
4"	58.48
6" or larger	162.44

#### Sec. 24-29. User Flat Charges:

In the event any user is not a metered water customer, there shall be imposed flat charge rates as follows:

<u>Classification of Customer</u>	<u>Monthly Flat Charge (1)</u>	
	<u>In-City</u>	<u>Out-City</u>
Domestic User - Single Family Dwelling	\$ 4.87	\$ 5.84
Domestic User - Multi-Family Dwelling	To be estimated by City	
Commercial and Industrial User	To be estimated by City	

(1) Estimates of monthly flat charges for multi-family dwellings shall be based on the number of family units accommodated by the system multiplied by the single family dwelling monthly charges. Estimates of monthly flat charges for commercial and industrial establishments shall be either estimated based on number of employees, manufacturing processes used and other pertinent sewer use indicators or based upon outfall measurements where available.

#### Sec. 24-29A. Special Capital Surcharge.

Each user discharging wastes into the sewage systems acquired by the City of Fort Wayne, Indiana, from and located in St. Joseph Township and Adams Township, Allen County, Indiana, as well as all future extensions thereof shall be subject to and shall pay a special capital surcharge in the amount of \$4.65 per month in addition to all other sewer service charges or other charges imposed by this Ordinance. Said capital surcharge shall be collected from said users until such time as the principal of and all interest and other costs arising from the borrowing of funds by the City for the acquisition of said sewer system shall have been paid in full from the total of the capital surcharge herein imposed.

#### Sec. 24-30. Contract Customers - Unit and Other Charges.

In the event the City consummates a contract to serve as a regional treatment plant for any other municipality or private regional treatment plant for any other municipality or private sewage utility, either contiguous to the City or in its environs, said contract shall provide for the following unit charges:

(a) Volume Charge (cents per 100 cu. ft.)

Treatment	18.74
Capital Charge	11.76
	30.50

(b) Variable Charge (cents per 100 cu. ft.)

A variable charge for conveyance and collection costs attributable to that portion of the conveyance system and operating costs associated therewith used by the contract customer shall be computed by the City and added to the volume charge.

(c) Flat Charge.

In addition to the foregoing charges based on volume of sewage treated and conveyed each contract customer will pay a monthly billing charge of \$.55 and a monthly surveillance charge of \$82.20.

(d) Excess Strength of Wastes Surcharge.

In the event a contract customer contributes waste having a strength in excess of domestic waste characteristics, as hereinbefore defined, a surcharge based on the following unit process charge will be in effect for all waste found to be in excess of limitations:

	<u>Cents Per Pound</u>
Suspended Solids - (SS)	3.931
Biochemical Oxygen Demand - (BOD)	3.926
Phosphorus - (P)	37.619

(e) Capital Surcharge.

In the event contract customer delivers sewage for treatment to City for a period of 90 consecutive days which is in excess of base MGD contracted for, then customer will be subject to an additional capital charge computed at the capital charge (per 100 cu. ft.) then in effect times the excess percentage of MGD represented by dividing actual MGD by contracted MGD.

(f) Other Provisions.

In the event sewage received pursuant to any contract entered into under this section exceeds any of the limitations imposed by this Chapter, the City shall have the right to impose all charges, limitations and penalties applicable to any non-contract user served by the City. Each contract entered into by the City pursuant to the foregoing rate classification shall provide that contract customer shall agree to enact and maintain a Sewer Use Ordinance, Industrial Cost Recovery System and User Charge System acceptable to the City and in conformance with the City's obligations under Sec. 204(b)(1) Public Law 92-500 as amended and supplemented and guidelines and regulations promulgated thereunder by the U. S. Environmental Protection Agency and 40 CFR 35.905-8, 35-928-1 and 35-928-2, and 35-935-13.

Sec. 24-31. Bulk Waste Charges.

Industrial	- For all industrial waste picked up from customer and hauled in City's vehicles to Plant - \$163.00 per load.
Domestic	- For all domestic waste delivered to plant by customer's truck or tank - \$23.85 per load. For purposes of computing charges hereunder, a load is defined as 1,000 gallons of tank capacity or fraction thereof.

#### Sec. 24-32. Annual Review of Service Charges.

Prior to May 1 of each year, the General Auditor of the City Utilities and an independent certified public accountant employed for that purpose shall submit to the Board of Public Works a comparison of the calculated unit cost for flow, removal of BOD, suspended solids, and phosphorus per year, with the unit charges currently in effect from which the Board shall determine whether the current service charges and surcharges are adequate or should be changed. The methodology utilized in developing this cost comparison shall include:

1. A system including the distribution of the cost of operation and maintenance of the treatment works of the WPC Utility to each user class in proportion to such user's contribution to the total waste loading of the treatment works. Factors such as strength, volume, and delivery flow characteristics shall be considered and included as the basis for the user's contribution to insure a proportional distribution of operation and maintenance and replacement costs to each user class.

2. Total annual service charges and surcharges collected from each individual user class shall be deemed sufficient if said charges have generated during the prior operating period sufficient revenue to offset the cost of all treatment works operation and maintenance provided by the Utility, including cost of management, system repair and replacement, debt retirement and other costs incidental to the Utility Operation attributable to such class.

#### Article VII. Strength-of-Wastes Surcharge

#### Sec. 24-35. Rates of Surcharge.

The rate of surcharge for each of the aforementioned constituents

- |  |                        |
|--|------------------------|
| a. For suspended solids (SS)             | 3.931 cents per pound  |
| b. For biochemical oxygen demand - (BOD) | 3.926 cents per pound  |
| c. For phosphorus (P)                    | 37.619 cents per pound |

#### Sec. 24-36. Waste Evaluation Charges.

All users discharging wastes into the system requiring continuing surveillance sampling and waste evaluation shall be subject to a monthly fixed charge to cover the costs of such services in the amount of \$82.20 per discharge point.

Sec. 19. All ordinances and parts of ordinances in conflict herewith are hereby repealed; provided, however, that this ordinance shall not be deemed in any way to repeal, amend, alter or modify the ordinances authorizing the issuance of the 1959 Bonds, the 1961 Bonds, the 1970 Bonds or the 1975 Bonds, or the 1982 Bonds, if issued, nor be construed as adversely affecting the rights of the holders of the aforementioned outstanding 1959 Bonds, 1961 Bonds, 1970 Bonds or the 1975 Bonds or 1982 Bonds, if issued.

Sec. 20. This ordinance shall be in full force and effect from and after its passage and signing by the Mayor.

Passed and adopted by the Common Council of the City of Fort Wayne, Indiana, as Special Ordinance No. S-88-82 on the 25th day of May, 1982.

ATTEST:

/s/ Charles W. Westerman  
CHARLES W. WESTERMAN - CITY CLERK

/s/ Samuel J. Talarico  
PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the 26th day of May, 1982, at the hour of 11:30 o'clock a.m., E.S.T.

/s/ Charles W. Westerman  
CHARLES W. WESTERMAN - CITY

CLERK

Approved and signed by me this 1st day of June, 1982, at the hour of 10 o'clock a.m., E.S.T.

/s/ Win Moses, Jr.  
WIN MOSES, JR. - MAYOR

## ORDINANCE NO. S-87-82

An Ordinance concerning the construction of additions and improvements to the sewage works of the City of Fort Wayne, the issuance of revenue bonds to provide the cost thereof, the collection, segregation and distribution of the revenues of said works, the safeguarding of the interests of the holders of said revenue bonds, other matters connected therewith and repealing ordinances inconsistent therewith

WHEREAS, the City of Fort Wayne has heretofore established, constructed and financed sewage works pursuant to Chapter 61 of the Acts of the Indiana General Assembly for the year 1932 (Special Session), and now owns and operates said sewage works pursuant to I.C. 36-9-23 (the "Act"); and

WHEREAS, the Common Council of the City of Fort Wayne, Indiana, now finds that said sewage works is in need of certain additions and improvements to repair recent flood damage and to complete certain projects being partially financed by federal and state grants; that plans and specifications for said additions and improvements have been approved by said Council and by all governmental authorities having jurisdiction, particularly the Stream Pollution Control Board of the State of Indiana; and

WHEREAS, the Board of Public Works and Safety has advertised for and received bids for the construction of said additions and improvements; that said bids are subject to the City's determination to construct said works and subject to the City's obtaining funds to pay for said works; that on the basis of said bids the cost of said works, over and above the amounts available from said federal and state grants, to be financed by revenue bonds, as outlined at I.C. 36-9-23-11, including funded reserves and estimated incidental expenses, is in the amount of Three Million Four Hundred Thousand Dollars (\$3,400,000); and

WHEREAS, the Common Council finds that the cost of said additions and improvements cannot be provided for out of funds of the sewage works now on hand or to be received prior to the completion thereof; that funds to apply on the cost should be provided by the issuance of additional revenue bonds payable solely out of the net revenues of the City's sewage works; that the financial advisor to the City of Fort Wayne has advised that reserves in the amount of \$400,000 funded by bond proceeds are necessary expenses in financing the works and that the engineer has included those reserves in the estimate of the aforementioned cost of the works; and

WHEREAS, the Common Council finds that there are now outstanding bonds issued on account of the construction and improvement of the City's sewage works and payable out of the net revenues therefrom designated "Sewage Works Improvement Revenue Bonds," (hereinafter the "1959 Bonds") dated November 1, 1959, now outstanding in the amount of One Million Eighty-five Thousand Dollars (\$1,085,000), bearing interest at the rates of three and seven-eighths per cent (3 7/8%) or three and one-quarter per cent (3 1/4%) per annum, depending on the maturities, maturing on August 1 in the years 1982 to 1990 inclusive, which bonds constitute a first charge upon the net revenues of the sewage works; and

WHEREAS, the Common Council finds that there are also outstanding bonds issued on account of the construction and improvement of the City's sewage works and payable out of the net revenues therefrom designated "Sewage Works Improvement Revenue Bonds of



1961," (hereinafter the "1961 Bonds") dated August 1, 1961, now outstanding in the amount of One Million One Hundred Ninety Thousand Dollars (\$1,190,000), bearing interest at the rate of three and three-quarters percent (3 3/4%) per annum, maturing on August 1 in the years 1982 to 1993 inclusive, which bonds are on a parity with the 1959 Bonds and also constitute a first charge upon the net revenues of the sewage works; and

WHEREAS, the Common Council finds that there are also outstanding bonds issued on account of the construction and improvement of the City's sewage works and payable out of the net revenues therefrom designated "Sewage Works Improvement Revenue Bonds of 1970," (hereinafter the "1970 Bonds") dated April 1, 1970, now outstanding in the amount of Two Million Two Hundred Fifty-five Thousand Dollars (\$2,255,000), bearing interest at the rates of six and seven-tenths per cent (6.7%), six and five-tenths per cent (6.5%), six and seven-tenths per cent (6.7%), six and nine-tenths per cent (6.9%) or seven per cent (7.0%) per annum, depending on the maturities, maturing on August 1 in the years 1982 to 1995 inclusive, which bonds are on a parity with the 1959 Bonds and 1961 Bonds and also constitute a first charge upon the net revenues of the sewage works; and

WHEREAS, the Common Council finds that there are also outstanding bonds issued on account of the construction and improvement of the City's sewage works and payable out of the net revenues therefrom designated "Sewage Works Improvement Revenue Bonds of 1975," (hereinafter the "1975 Bonds") dated January 1, 1975, now outstanding in the amount of Six Million Fifty Thousand Dollars (\$6,050,000), bearing interest at the rates of six and five-tenths per cent (6.5%), six and seven-tenths per cent (6.7%) or five per cent (5%) per annum, depending on the maturities, maturing on August 1 in the years 1982 to 1997 inclusive, which bonds are on a parity with the 1959 Bonds, 1961 Bonds and 1970 Bonds and also constitute a first charge upon the net revenues of the sewage works; and

WHEREAS, the ordinance authorizing the issuance of the now outstanding 1959 Bonds, 1961 Bonds, 1970 Bonds and 1975 Bonds permit the issuance of additional bonds ranking on a parity with said bonds provided certain conditions can be met, and the City finds that the finances of said sewage works are such as will enable meeting the conditions for the issuance of additional parity bonds and that, accordingly, the additional revenue bonds shall be on a parity with the now outstanding 1959 Bonds, 1961 Bonds, 1970 Bonds and 1975 Bonds; and

WHEREAS, the Common Council finds that certain bonds may be issued at approximately the same time as the bonds to be issued hereunder which bonds are tentatively designated "Sewer Connection Revenue Bonds of 1982" (hereinafter the "Connection Bonds") and which bonds will also rank on a parity with the 1959 Bonds, 1961 Bonds, 1970 Bonds and 1975 Bonds; and

WHEREAS, the Common Council now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of said additional revenue bonds have been complied with in accordance with the provisions of the Act hereinbefore referred to; now therefore,

BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF FORT WAYNE, INDIANA:

Section 1. That the City proceed with the construction of additions and improvements to its sewage works in accordance with the plans and specifications heretofore or from time to time prepared and filed by City engineers, which plans and specifications are by reference made a part of this ordinance as fully as if the same were attached hereto and incorporated herein and two copies of which are now on file in the office of the Clerk of the City of Fort Wayne, Indiana, and are open for public inspection pursuant to I.C. 36-1-5-4, that the cost of construction of said additions and improvements, including the

funding of a debt reserve in the amount of \$400,000 and the cost of issuance shall not exceed the sum of Three Million Four Hundred Thousand Dollars (\$3,400,000) without further authorization from this Common Council. the terms "sewage treatment works," "works," and other like terms where used in this ordinance shall be construed to mean and include all structures and property of the City's sewer utility, including items defined at I.C. 36-9-1-8. Said additions and improvements to the sewage works shall include facilities to repair recent flood damage and to complete certain projects being partially financed by federal and state grants, which additions and improvements shall include interceptor sewers, improvement of the treatment plant and the advanced wastewater treatment plant, and shall be constructed in accordance with the plans and specifications heretofore mentioned, which plans and specifications are hereby approved. Said additions and improvements shall be constructed and the bonds herein authorized shall be issued pursuant to and in accordance with the provisions of I.C. 36-9-23, and all acts supplemental thereto, relating to the issuance of revenue bonds, hereinafter sometimes referred to as the "Act" or "Acts."

Sec. 2. The City shall issue its sewage works revenue bonds in the amount of Three Million Four Hundred Thousand Dollars (\$3,400,000) for the purpose of procuring funds to apply on the cost of said works, including the funding of a debt reserve in the amount of \$400,000 and the cost of issuance. Any provisions of this ordinance to the contrary notwithstanding, said bonds shall rank on a parity with the outstanding 1959 Bonds, 1961 Bonds, 1970 Bonds and 1975 Bonds and, if issued, the Connection Bonds.

Said Bonds shall be issued in the denomination of Five Thousand Dollars (\$5,000), numbered consecutively from 1, dated as of the first day of the month in which sold, and shall bear interest at a rate or rates not exceeding fourteen per cent (14%) per annum (the exact rate or rates to be determined by bidding), payable on the first days of February and August in each year, beginning August 1, 1982. Such interest shall be evidenced by coupons attached to said bonds. Both bonds and interest coupons shall be payable in lawful money of the United States of America, at the principal office of the Lincoln National Bank and Trust Company of Fort Wayne, in the City of Fort Wayne, Indiana, or at the option of the holder, at the Continental Illinois National Bank and Trust Company, in the City of Chicago, Illinois, or at the Irving Trust Company, in the Borough of Manhattan, in the City and State of New York, and such bonds shall mature serially in numerical order on August 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
1996	\$ 170,000	1999	\$ 755,000
1997	210,000	2000	1,605,000
1998	660,000		

The bonds of this issue are not redeemable prior to maturity.

Sec. 3. Said bonds shall be signed in the name of the City of Fort Wayne by manual or facsimile signature of the Mayor, countersigned by the manual or facsimile signature of the City Controller and attested by the manual or facsimile signature of the Clerk, who shall affix the seal of said City to each of said bonds manually or shall have the seal imprinted or impressed thereon by facsimile or by any other means. The interest coupons attached to said bonds shall be executed by placing thereon the facsimile signatures of the Mayor and City Controller, and said officials, by the signing of said bonds, shall adopt as and for their own proper signatures their facsimile signatures appearing on said coupons. Said bonds may, where appropriate, bear the manual or facsimile signatures of validly appointed Deputy officials. Said bonds shall have all of the qualities and incidents of negotiable instruments under the laws of the State of Indiana.

Said bonds shall be negotiable by delivery unless registered. Upon presentation of any of the bonds at the office of the City Controller in the City of Fort Wayne, said City Controller shall register said bonds as to principal without charge or expense to the holder. Such registry shall be noted on each bond so presented, after which no transfer thereof shall be valid unless made by the registered owner in person or by his attorney duly authorized and similarly noted on such bond, but bonds so registered may be discharged from registry by being in like manner retransferred to bearer, after which they shall be transferable by delivery but may again be registered as before. The registration of any bond shall not affect the negotiability of the interest coupons attached thereto, but such coupons shall continue to pass by delivery merely and shall remain payable to bearer.

Said bonds, the 1959 Bonds, 1961 Bonds, 1970 Bonds, 1975 Bonds, and, if issued, the Connection Bonds, and any bonds ranking on a parity therewith, as to both principal and interest, shall be payable from and secured by an irrevocable pledge of and shall constitute a first charge upon all the net revenues (herein defined as the gross revenues after deduction only for the payment of the reasonable expenses of operation, repair and maintenance) derived from the sewage works of the City, including the works heretofore constructed and all additions and improvements thereto and replacements thereof presently or subsequently constructed or acquired. The City shall not be obligated to pay said bonds or the interest thereon except from the net revenues of said works, and said bonds shall not constitute an indebtedness of the City within the meaning of the provisions and limitations of the constitution of the State of Indiana.

Sec. 4. The form and tenor of said bonds, the interest coupons to be attached thereto, and the form of registry endorsement thereon shall be substantially as follows, all blanks to be filled in properly prior to delivery thereof;

UNITED STATES OF AMERICA

State of Indiana

County of Allen

No. \_\_\_\_\_

\$5,000

CITY OF FORT WAYNE  
SEWAGE WORKS REVENUE BOND OF 1982

The City of Fort Wayne, in Allen County, State of Indiana, for value received, hereby promises to pay to the bearer, or if this bond be registered, then to the registered holder, solely out of the special revenue fund herein-after referred to, the principal amount of

FIVE THOUSAND DOLLARS

on the first day of August, \_\_\_\_\_ and to pay interest thereon from the date hereof until the principal is paid, at the rate of \_\_\_\_\_ per cent (\_\_\_\_%) per annum, payable on the first days of February and August in each year, beginning on August 1, 1982, upon presentation and surrender of the annexed coupons as they severally become due.

Both principal and interest of this bond are payable in lawful money of the United States of America, at the principal office of the Lincoln National Bank and Trust Company of Fort Wayne, in the City of Fort Wayne, Indiana, or at the option of the holder, Continental Illinois National Bank and Trust Company, in the City of Chicago, Illinois, or at the Irving Trust Company, in the Borough of Manhattan, in the City of New York.

This bond is one of an authorized issue of six hundred eighty (680) bonds of the City of Fort Wayne, of like date, tenor and effect, except as to numbering, interest rates, and dates of maturity, in the total amount of Three Million Four Hundred Thousand Dollars (\$3,400,000), numbered from 1 to 680 inclusive, issued for the purpose of providing funds to be applied on the cost of additions and improvements to the City's sewage works, including the funding of a debt reserve in the amount of \$400,000 and the cost of issuance, as authorized by an ordinance adopted by the Common Council of the City of Fort Wayne on the            day of           , 1982, entitled "An Ordinance concerning the construction of additions and improvements to the sewage works of the City of Fort Wayne, the issuance of revenue bonds to provide the cost thereof, the collection, segregation and distribution of the revenues of said works, the safeguarding of the interests of the holders of said revenue bonds, other matters connected therewith and repealing ordinances inconsistent therewith," and in strict compliance with the provisions of I.C. 36-9-23.

Pursuant to the provisions of said Act and said ordinance, the principal and interest of this bond and all other bonds of said issue, the Sewage Works Improvement Revenue Bonds, dated November 1, 1959, the Sewage Works Improvement Revenue Bonds of 1961, dated August 1, 1961, the Sewage Works Improvement Revenue Bonds of 1970, dated April 1, 1970, the Sewage Works Improvement Revenue Bonds of 1975, dated January 1, 1975, and certain Sewer Connection Revenue Bonds of 1982 ("Connection Bonds") which may be issued by the City of Fort Wayne at approximately the same time as this bond and all other bonds of said issue, and any bonds ranking on a parity therewith, are payable solely from the Sewage Works Sinking Fund, or, as to the Connection Bonds, will be payable from the Sewage Works Sinking Fund (heretofore created by Ordinance No. 1939, adopted July 26, 1938 and continued by the ordinances authorizing the issuance of the aforementioned outstanding bonds to be provided from the net revenues (herein defined as the gross revenues after deduction only for the payment of the reasonable expenses of operation, repair and maintenance) derived from the sewage works of the City of Fort Wayne, including the additions and improvements constructed or acquired by the use of the proceeds of this bond and the issue of which it is a part, and all additions and improvements thereto and replacements thereof subsequently constructed or acquired. This bond and the issue of which it is a part are of equal priority, in respect to the application of said net revenues, with certain Sewage Works Improvement Revenue Bonds, dated November 1, 1959, now outstanding in the amount of One Million Eighty-five Thousand Dollars (\$1,085,000), bearing interest at the rates of three and seven-eighths per cent (3 7/8%) or three and one-quarter per cent (3 1/4%) per annum, depending on the maturities and maturing annually over a period ending on August 1, 1990, with certain Sewage Works Improvement Revenue Bonds of 1961, dated August 1, 1961, now outstanding in the amount of One Million One Hundred Ninety Thousand Dollars (\$1,190,000), bearing interest at the rate of three and three-quarters per cent (3 3/4%) per annum, maturing annually over a period ending on August 1, 1993, with certain Sewage Works Improvement Revenue Bonds of 1970, dated April 1, 1970, now outstanding in the amount of Two Million Two Hundred Fifty-five Thousand Dollars (\$2,255,000), bearing interest at the rates of six and seven-tenths per cent (6.7%), six and five-tenths per cent (6.5%), six and seven-tenths per cent (6.7%), six and nine-tenths per cent (6.9%) or seven per cent (7.0%) per annum, depending on the maturities, and maturing annually over a period ending on August 1, 1995 and with certain Sewage Works Improvement Revenue Bonds of 1975, dated January 1, 1975, now outstanding in the amount

of Six Million Fifty Thousand Dollars (\$6,050,000), bearing interest at the rates of six and five-tenths per cent (6.5%), six and seven-tenths per cent (6.7%) or five per cent (5%) per annum, depending on the maturities, maturing annually over a period ending on August 1, 1997, in accordance with the terms thereof. This bond shall also be on a parity with the Connection Bonds, if issued. This bond shall not constitute an indebtedness of the City of Fort Wayne within the meaning of the provisions and limitations of the constitution of the State of Indiana, and the City shall not be obligated to pay this bond or the interest thereon except from said special fund provided from said net revenues.

The City of Fort Wayne irrevocably pledges the entire net revenues of said sewage works to the prompt payment of the principal of and interest on the bonds authorized by said ordinance, of which this is one, and any bonds ranking on a parity therewith, including said Sewage Works Improvement Revenue Bonds, dated November 1 1959, the Sewage Works Improvement Revenue Bonds of 1961, dated August 1, 1961, the Sewage Works Improvement Revenue Bonds of 1970, dated April 1, 1970, the Sewage Works Improvement Revenue Bonds of 1975, dated January 1, 1975, and the Connection Bonds, if issued, to the extent necessary for that purpose, and covenants that it will cause to be fixed, maintained and collected such rates and charges for service rendered by said works as are sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of said works, to provide for proper depreciation, and for the payment of the sums required to be paid into said Sinking Fund under the provisions of said Act and said ordinance. In the event the City or the proper officers thereof shall fail or refuse to so fix, maintain and collect such rates or charges, or if there be a default in the payment of the interest on or principal of this bond, the holder of this bond shall have all of the rights and remedies provided for in said I.C. 36-9-23 and the acts amendatory thereof and supplemental thereto, including the right to have a receiver appointed to administer the works and to charge and collect rates sufficient to provide for the payment of this bond and in interest hereon.

The City of Fort Wayne further covenants that it will set aside and pay into its Sewage Works Sinking Fund a sufficient amount of the net revenues of said works to meet (a) the interest on all bonds payable from the revenues of said sewage works, as such interest shall fall due, (b) the necessary fiscal agency charges for paying all bonds and interest, (c) the principal of all bonds payable from the revenues of said sewage works, as such principal shall fall due, and (d) an additional amount as a margin of safety, which margin, together with any unused surplus of such margin carried forward from the preceding year, shall equal not less than ten per cent (10%) of all other amounts so required to be paid into said sinking fund together with other sums to be held as reserves as provided in said ordinance. Such required payments shall constitute a first charge upon all the net revenues of said works on a parity with the aforementioned Sewage Works Improvement Revenue Bonds, dated November 1, 1959, Sewage Works Improvement Revenue Bonds of 1961, dated August 1, 1961, Sewage Works Improvement Revenue Bonds of 1970, dated April 1, 1970 and the Sewage Works Improvement Revenue Bonds of 1975, dated January 1, 1975 and the Connection Bonds, if issued.

If any bond or interest coupon shall not be presented for payment on the date fixed therefor, the City may deposit in trust with the Lincoln National Bank and Trust Company of Fort Wayne, in the City of Fort Wayne, Indiana, an amount sufficient to pay such bond or interest coupon, as the case may be,

and thereafter the holder shall look only to the funds so deposited in trust with said bank for payment and the City shall have no further obligation or liability in respect thereto.

This bond and all other bonds of said issue shall have all the qualities and incidents of negotiable instruments under the laws of the State of Indiana. This bond may be registered as to principal at the office of the City Controller in the City of Fort Wayne, Indiana, in the name of the owner hereof, and such registration noted hereon by said City Controller. Thereafter no transfer hereof shall be valid unless made at said office by the registered owner in person or by his duly authorized attorney and similarly noted hereon, but this bond may be discharged from registration by being in like manner transferred to bearer and may again from time to time be registered or transferred to bearer as before. Such registration shall not restrict or affect the negotiability of the interest coupons hereto attached by delivery only, but such interest coupons shall always be payable to bearer.

The bonds of this issue are not redeemable prior to maturity.

It is hereby certified and recited that all acts, condition and things required to be done precedent to and in the execution, issuance and delivery of this bond have been done and performed in regular and due form as provided by law.

IN WITNESS WHEREOF, the City of Fort Wayne, in Allen County, State of Indiana, has caused this bond to be executed in its corporate name by the manual or facsimile signature of the Mayor of the City, countersigned by the manual or facsimile signatures of the City Controller, its corporate seal to be hereunto affixed manually, or imprinted or impressed thereon by facsimile or by any other means, and attested manually or by facsimile by its Clerk, and the interest coupons hereto attached to be executed by placing thereon the facsimile signatures of the Mayor and City Controller, as of the first day of \_\_\_\_\_, 1982.

CITY OF FORT WAYNE

By \_\_\_\_\_  
Mayor

Countersigned:

\_\_\_\_\_  
City Controller

Attest:

\_\_\_\_\_  
Clerk

(Interest Coupon)

Coupon No. \_\_\_\_\_ \$ \_\_\_\_\_

On \_\_\_\_\_ 1, \_\_\_\_\_, the City of Fort Wayne, Indiana, will pay to the bearer, at the principal office of the Lincoln National Bank and Trust Company of Fort Wayne, in the City of Fort Wayne, Indiana, or at the option of the holder, at the Continental Illinois National Bank and Trust Company, in

the City of Chicago, Illinois, or at the Irving Trust Company, in the Borough of Manhattan, in the City of New York, New York, out of its Sewage Works Sinking Fund, the amount shown hereon in lawful money of the United States of America, being the interest then due on its Sewage Works Revenue Bond of 1982, dated \_\_\_\_\_ 1, 1982, No. \_\_\_\_\_.

#### CITY OF FORT WAYNE

By \_\_\_\_\_ (facsimile)

Mayor

\_\_\_\_\_  
(facsimile)  
City Controller

#### REGISTRATION ENDORSEMENT

This bond can be registered only at the office of the Clerk in the City of Fort Wayne, Indiana. No writing hereon except by the City Controller.

Date of Registry	In Whose Name Registered	City Controller
_____	_____	_____
_____	_____	_____
_____	_____	_____

Sec.5. The City Controller is hereby authorized and directed to have said bonds and coupons prepared, and the Mayor, Clerk and City Controller are hereby authorized and directed to execute said bonds and the interest coupons to be attached thereto, in the form and manner herein provided. The City Controller or the Clerk are hereby authorized and directed to deliver said bonds to the purchaser thereof after sale made in accordance with the provisions of this ordinance, provided that at the time of said delivery the City Controller or the Clerk shall collect the full amount which the purchaser has agreed to pay therefor, which shall not be less than the face value of said bonds, plus accrued interest from the date thereof to the date of delivery. The bonds herein authorized, when fully paid for and delivered to the purchaser, shall be the binding special revenue obligations of the City payable out of the net revenues of the City's sewage works to be set aside into the Sewage Works Sinking Fund as herein provided, and the proceeds derived from the sale of said bonds shall be and are hereby set aside for application on the cost of acquisition, construction and installation of said additions and improvements to the sewage works hereinbefore referred to, funding a debt reserve in the amount of \$400,000 and the expenses necessarily incurred in connection therewith. The proper officers of the City are hereby directed to draw all proper and necessary warrants, and to do whatever acts and things which may be necessary to carry out the provisions of this ordinance.

Sec. 7. Prior to the sale of said bonds, the City Controller shall cause to be published a notice of such sale in the News-Sentinel and the Journal-Gazette, the only newspapers published in the City of Fort Wayne, Indiana, two times, at least one week apart, the first publication made at least fifteen (15) days before the date of the sale and the second publication being made at least three (3) days before the date of the sale, all in accordance with I.C. 5-1-11 and I.C. 5-3-1. A notice of sale may also be published one time in The Indianapolis Commercial, and a notice or summary notice may also be published in The Bond Buyer in New York, New York. The bond sale notice shall state the time and place of sale, the character and amount of the bonds, the maximum rate of interest thereon, the terms and conditions upon which bids will be received and the sale



made, and such other information as the Controller or the Clerk and the attorneys employed by the City shall deem advisable and any summary notice may contain any information deemed so advisable. Said notice shall provide, among other things, that each bid shall be accompanied by a certified or cashier's check in the amount of Thirty-five Thousand Dollars (\$35,000) to guarantee performance on the part of the bidder, and that in the event the successful bidder shall fail or refuse to accept delivery of the bonds and pay for the same as soon as the bonds are ready for delivery, or at the time fixed in the notice of sale, then said check and the proceeds thereof shall be the property of the City and shall be considered as its liquidated damages on account of such default; that bidders for said bonds will be required to name the rate or rates of interest which the bonds are to bear, not exceeding the maximum rate hereinbefore fixed, and that such interest rate or rates shall be in multiples of one-eighth ( $1/8$ ) or one-tenth ( $1/10$ ) of one per cent (1%). The rate bid on a maturity shall be equal to or greater than the rate bid on the immediately preceding maturity and not more than four (4) different interest rates shall be named by a bidder. No conditional bids will be considered. The opinion of Ice Miller Donadio & Ryan, bond counsel of Indianapolis, Indiana, approving the legality of said bonds, will be furnished to the purchaser at the expense of the City.

The bonds shall be awarded by the City Controller to the highest qualified bidder who has submitted his bid in accordance with the terms of this ordinance and the notice of sale. The highest bidder will be the one who offers the lowest net interest cost to the City, to be determined by computing the total interest on all of the bonds to their maturities and deducting therefrom the premium bid, if any. The right to reject any and all bids shall be reserved. If an acceptable bid is not received on the date of sale, the sale may be continued from day to day thereafter without further advertisement for a period of thirty (30) days, during which time no bid which is lower than the highest bid received at the time of the advertised sale will be considered.

Sec. 8. The accrued interest and premium received at the time of the delivery of the bonds, if any, shall be deposited in the Sewage Works Sinking Fund heretofore created by Ordinance No. 1939, adopted July 26, 1938 and continued by the ordinances authorizing the issuance of the 1959 Bonds, the 1961 Bonds, the 1970 Bonds and the 1975 Bonds. Bond proceeds in the amount of \$400,000 will be deposited, pursuant to the advice of the City's financial advisor that such funding is a necessary expense of financing the works under I.C. 36-9-23-11 and the inclusion of that funding in the engineer's estimate of the cost of the works, in the Sewage Works Sinking Fund described in Section 9 hereof, which sum will be held as a debt service reserve therein and credited to the City's obligation thereunder to accumulate net revenues therein as a margin of safety. Said financial advisor has also advised the City that reserve is reasonably required in order to enhance the marketability of the bonds and that, without this reserve, the bonds would be unmarketable or the interest rate demanded by investors would affect the economic feasibility of the project. The remaining proceeds from the sale of said bonds shall be deposited in a bank or banks which are legally designated depositories for the funds of the City, in a special account or accounts to be designated as "City of Fort Wayne, Sewage Works Construction Account." All funds deposited to the credit of said Sewage Works Sinking Fund or Sewage Works Construction Account shall be deposited, held, secured or invested in accordance with the laws of the State of Indiana relating to the depositing, holding, securing or investing of public funds, including particularly I.C. 5-13-1, and the acts amendatory thereof and supplemental thereto. The depository or depositories for said Sewage Works Sinking Fund shall be a bank which shall be a member of the Federal Reserve System and of the Federal Deposit Insurance Corporation, or like organizations having similar powers and duties. The funds in said special account or accounts shall be expended only for the purpose of paying the cost of the works, as defined in I.C. 36-9-1-8 and 36-9-23, or as otherwise required by said Acts, or for funding a debt reserve in the amount of \$400,000 or for the expenses of issuance of the bonds. The cost of obtaining the opinion of Ice Miller Donadio & Ryan shall be considered as a part of the

cost of the project on account of which the bonds are issued, and shall be paid out of the proceeds of the bonds or out of the revenues of the sewage works.

The Common Council authorizes the insurance of the bonds with a municipal bond insurance company if the City Controller, acting on the advice of the City's financial consultant and engineer, finds that such insurance advisable and a necessary expense of financing the sewage works. The cost of obtaining said insurance shall be considered as a part of the cost of the project on account of which the bonds are issued, and shall be paid out of the proceeds of the bonds or out of other funds of the sewage works.

The City covenants that it will not invest the proceeds of said bonds, or any moneys treated as proceeds by the Internal Revenue Service, in any manner, or take or fail to take any other action, which would result in said bonds constituting "arbitrage bonds" within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended, or the Treasury Regulations or any Revenue Rulings promulgated thereunder, or as determined by any court of competent jurisdiction.

Any balance or balances remaining unexpended in such special account or accounts after completion of the works, which are not required to meet unpaid obligations incurred in connection with such construction, shall be paid into the Sewage Works Sinking Fund and shall be used solely for the purposes of said fund.

Sec. 9. The special fund designated "Sewage Works Sinking Fund" created by Ordinance No. 1939, adopted on July 26, 1938, and continued for the payment of the outstanding 1959 Bonds, 1961 Bonds, 1970 Bonds and 1975 Bonds is hereby designated as the special fund for the payment of the interest on and principal of the revenue bonds authorized by this ordinance and the payment of any fiscal agency charges in connection with the payment of the bonds and coupons. Said fund shall be continued until all of the bonds issued under said prior ordinances and this ordinance have been paid. There shall be set aside and paid into said Sinking Fund monthly, as available, or more often if necessary, a sufficient amount of the net revenues of said sewage works for the payment of (a) the interest on all bonds which by their terms are payable from the revenues of the sewage works, as such interest shall fall due, (b) the necessary fiscal agency charges for paying said bonds and interest, (c) the principal of all bonds which by their terms are payable from the revenues of the sewage works as they fall due, and (d) and additional amount as a margin of safety, which margin, together with any unused surplus of such margin carried forward from the preceding year, shall equal not less than ten per cent (10%) of all other amounts so required to be paid into said Sinking Fund. the term "net revenues" as used in this section shall be construed to mean the revenues after deduction only for the reasonable cost of operation, maintenance and repair. The monthly payments into the said Sinking Fund shall be in an amount equal to at least one-twelfth (1/12) of the amount required for such payments during the then next succeeding twelve (12) calendar months and shall continue until such time as said fund shall contain an amount sufficient to pay all of the bonds then outstanding, together with the interest thereon to the dates of maturity thereof. In addition to said required monthly payments into the Sewage Works Sinking Fund, all of the net revenues of said sewage works not used in making said required sinking fund payments shall be set aside and paid into said Sinking Fund monthly, as available, until there has been accumulated in said Sewage Works Sinking Fund, over and above said required payments but including the funded reserves and investment income thereon, an amount equal to the sum of the principal and interest on all then outstanding bonds which will be payable during the then next succeeding twelve (12) calendar months. Said Fund shall be maintained at such levels, and additional amounts of net revenues shall be deposited in said Fund to the extent necessary to maintain such levels.

In no event shall any part of the Sewage Works Sinking Fund be used in purchasing bonds, except to the extent that the amount then in said Sinking Fund exceeds the amount required to pay the principal of the bonds payable therefrom which will mature within a period of twelve (12) calendar months next following the date of such purchase, together with all interest on the bonds payable. Any such excess of funds above said required levels may be used in purchasing outstanding bonds at a price less than the applicable price at maturity, if first approved by the Board of Public Works and Safety. Moneys in said Sinking Fund shall not be used for any other purpose whatsoever except as provided in this ordinance.

If the City shall, for any reason, fail to pay into said Sinking Fund the full amount and at the respective times above stipulated, then an amount equivalent to such deficiency shall be set apart and paid into said fund from the first available revenues and same shall be in addition to the minimum amounts otherwise herein provided to be so set apart and paid.

Withdrawals shall be made from said Sinking Fund and remitted to the places of payment of the interest and principal to meet such payments when due and it is to be understood that appropriate arrangements will be made so that the coupons and bonds will be promptly paid when due and presented at any of the designated alternate places of payment.

The City covenants that it will not make any investment of moneys in said Fund in any manner, or take or fail to take any other action, which would result in the bonds constituting arbitrage bonds within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended, or the Treasury Regulations or any Revenue Rulings promulgated thereunder, or as determined by any court of competent jurisdiction.

The Sinking Fund, as aforesaid, shall be used solely and only and is hereby pledged for the purpose of paying principal of and interest on the bonds which by their terms are payable from said funds. Upon the delivery of said bonds and the receipt of the proceeds all sums received as accrued interest and premium, if any, shall be placed in the Sinking Fund.

Sec. 10. In the event that all required payments into the Sewage Works Sinking Fund have been met to date and there has been accumulated as a reserve in said Sewage Works Sinking Fund, including the bond proceeds deposited, over and above said payments, an amount equal to the respective sums required by Section 9, and there has been accumulated and reserved funds in an amount sufficient for operation, repair and maintenance of the works for the then next succeeding twelve (12) calendar months, and for depreciation, then any excess revenues of the works available may be placed in the Sewage Works Improvement Fund. Moneys in said Fund may be used to pay the costs of improvements, betterments, extensions, enlargements and additions to the works. No revenues of the works shall be deposited in or credited to the Sewage Works Improvement Fund which will interfere with the requirements of the Sewage Works Sinking Fund, the accumulation of the required reserve therein, or with the requirements as to reserving funds for the operation, maintenance and repair of the works and for depreciation. All or any portion of the funds accumulated and reserved for operation, repair and maintenance for the then next succeeding twelve (12) calendar months shall be transferred to the Sewage Works Sinking Fund in necessary to prevent a default in the payment of principal of or interest on the bonds payable from said Sinking Fund.

Sec. 11. All revenues received on account of the sewage works shall be segregated and kept in a special fund separate and apart from all other funds of the City. Out of this fund the proper and reasonable expenses of operation, repair and maintenance of the

works shall be paid and the requirements of the Sewage Works Sinking Fund shall be met. The City shall keep proper books of records and accounts, separate from all of its other records and accounts, in which complete and correct entries shall be made and showing all revenues collected from said works and deposited in said fund, and all disbursements made therefrom on account of the operation of the works, and to meet the requirements on the Sewage Works Sinking Fund, also all other financial transactions relating to said works, including the amounts set aside or credited to the Sewage Works Sinking Fund and Sewage Works Improvement Fund, and the cash balance in each of said funds as of the close of the preceding fiscal year. There shall be prepared and furnished, upon written request, to the original purchaser of the bonds, and to any holder of the bonds at the time then outstanding, not more than ninety (90) days after the close of each fiscal year, income and expense and balance sheet statements of the works, covering the preceding fiscal year, which annual statements shall be certified by the City Controller, or the person charged with the duty of auditing the books and records relating to said works, or by licensed independent public accountants employed for that purpose. Copies of all such statements and reports shall be kept on file in the office of the City Controller. Any holder or holders of the bonds then outstanding shall have the right at all reasonable times to inspect the works and all records, accounts and data of the City relating thereto. Such inspections may be made by representatives duly authorized by written instrument.

Sec. 12. The City covenants and agrees that it will establish and maintain just and equitable rates or charges for the use of and the service rendered by said works, to be paid by the owner of each and every lot parcel of real estate or building that is connected with and uses said sewage works by or through any part of the sewerage system of the City, or that in any way uses or is served by such works; that such rates or charges shall be sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of the works, and for the payment of the sums required to be paid into the Sewage Works Sinking Fund by said governing Act and this ordinance. Such rates or charges shall, if necessary, be changed and readjusted from time to time so that the revenues therefrom shall always be sufficient to meet the expenses of operation, repair and maintenance, depreciation and the requirements of the Sewage Works Sinking Fund. The rates or charges so established shall apply to any and all use of such works by and service rendered to the City and all departments thereof as the charges accrue. The rates or charges so established shall apply to any and all use of such works by and service rendered to the City and all departments thereof, and shall be paid semi-annually by the City or the various departments thereof as the charges accrue.

Sec. 13. If, prior to the maturity of the bonds issued hereunder, (i) sufficient moneys, or (ii) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, the principal of and the interest on which when due will provide sufficient moneys, or (iii) time certificates of deposit fully secured as to both principal and interest by obligations of the kind described in (ii) above of a bank or banks the principal of and interest on which when due will provide sufficient moneys, shall be held in trust for such purpose, to pay the whole amount of the principal and the interest due and payable at maturity upon all of the bonds and coupons then outstanding; then and in that case the bonds issued hereunder shall no longer be deemed outstanding or entitled to the pledge of the net revenues of the City's sewage works.

Sec. 14. The City reserves the right to authorize and issue additional bonds, payable out of the revenues of its sewage works, ranking on a parity with the bonds authorized by this ordinance, for the purpose of financing the cost of future additions, extensions and improvements to the sewage works, subject to the following conditions:

(a) The interest on and principal of all bonds payable from the revenues of the sewage works shall have been paid to date in accordance with the terms thereof.

(b) As of the date of issuance of such additional bonds, there shall have been accumulated and set aside funds in an amount sufficient for operation, repair and maintenance of the works for the then next succeeding twelve (12) months, and the balance in the Sewage Works Sinking Fund shall equal not less than the reserve requirements set forth in Section 9 hereof.

(c) The net revenues of the sewage works in the fiscal year immediately preceding the issuance of any such bonds ranking on a parity with the bonds authorized by this ordinance shall be not less than one hundred twenty-five per cent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional parity bonds proposed to be issued; or, prior to the issuance of said parity bonds, the sewage rates and charges shall be increased sufficiently so that said increased rates and charges applied to the previous fiscal year's operations would have produced net operating revenues for said year equal to not less than one hundred twenty-five per cent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional parity bonds proposed to be issued. For purposes of this subsection, the records of the sewage works shall be analyzed and all showings shall be prepared by a certified public accountant employed by the City for that purpose, who shall certify that he has no pecuniary interest in said additions, extensions or improvements or the financing thereof in any way whatsoever other than to analyze the records of said sewage works and to prepare said showings.

(d) The principal of said additional parity bonds shall be payable on August 1 and the interest on said additional parity bonds shall be payable semi-annually on February 1 and August 1 in the years in which such principal and interest are payable.

Sec. 15. For the purpose of further safeguarding the interests of the holders of the bonds herein authorized, it is specifically provided as follows:

(a) All contracts let or hereinafter to be let by the City in connection with the construction of said additions and improvements to the sewage works shall be let after due advertisement as required by the laws of the State of Indiana, and all contractors shall be required to furnish surety bonds in an amount equal to one hundred per cent (100%) of the amount of such contracts, to insure the completion of said contracts in accordance with their terms, and such contractors shall also be required to carry such employers liability and public liability insurance as are required under the laws of the State of Indiana in the case of public contracts, and shall be governed in all respects by the laws of the State of Indiana relating to public contracts.

(b) Said additions and improvements shall be constructed under the supervision of the City's engineers. All estimates for work done or material furnished shall first be checked by the engineers and approved by the City.

(c) The City shall at all times maintain its sewage works in good condition and operate the same in an efficient manner and at a reasonable cost.

(d) So long as any of the bonds herein authorized are outstanding, the City shall maintain insurance on the insurable parts of said works of a kind and in an amount such as would normally be carried by private companies engaged in a similar type of business. All insurance shall be placed with responsible insurance companies qualified

to do business under the laws of the State of Indiana. Insurance proceeds shall be used in replacing or repairing the property destroyed or damaged; or if not used for that purpose shall be treated and applied as net revenues of the works.

(e) So long as any of the bonds are outstanding, the City shall not mortgage, pledge or otherwise encumber such works, or any part thereof, nor shall it sell, lease or otherwise dispose of any portion thereof except replaced equipment which may become worn out or obsolete.

(f) Except as hereinbefore provided in Section 14 hereof, so long as any of the bonds herein authorized are outstanding, no additional bonds or other obligations pledging any portion of the revenues of said sewage works shall be authorized, executed, or issued by the City except such as shall be made subordinate and junior in all respects to the bonds herein authorized, unless all of the bonds herein authorized are retired or defeased pursuant to Section 13 hereof coincidentally with the delivery of such additional bonds or other obligations.

(g) The City shall take all action or proceedings necessary and proper to require connection of all property where liquid and solid waste, sewage, night soil, or industrial waste is produced with available sanitary sewers. The City shall, insofar as possible, cause all such sanitary sewers to be connected with said sewage works.

(h) The provisions of this ordinance shall constitute a contract by and between the City of Fort Wayne and the holders of the sewage works revenue bonds therein authorized, and after the issuance of said bonds, this ordinance shall not be repealed or amended in any respect which will adversely affect the rights of the holders of said bonds, nor shall the Common Council adopt any law, ordinance or resolution which in any way adversely affects the rights of such holders so long as any of said bonds or the interest thereon remain unpaid. Nothing in Section 16 hereof shall be construed as violating this provision.

(i) The provisions of this ordinance shall be construed to create a trust in the proceeds of the sale of the bonds herein authorized for the uses and purposes herein set forth, and the holders of the bonds shall retain a lien on such proceeds until the same are applied in accordance with the provisions of this ordinance and of said governing Act. The provisions of this ordinance shall also be construed to create a trust in the portion of the net revenues herein directed to be set apart and paid into the Sewage Works Bond Sinking Fund for the uses and purposes of said fund as in this ordinance set forth. The holders of said bonds shall have all of the rights, remedies and privileges set forth in the provisions of the governing Acts hereinbefore referred to, including the right to have a receiver appointed to administer said sewage works, in the event of default in the payment of the principal of or interest on any of the bonds herein authorized or in the event of default in respect to any of the provisions of this ordinance or the governing Act.

Sec. 16. Subject to the terms and provisions contained in this section, and not otherwise, the holders of not less than sixty-six and two-thirds per cent (66-2/3%) in aggregate principal amount of the bonds issued pursuant to this ordinance and then outstanding shall have the right, from time to time, anything contained in this ordinance to the contrary notwithstanding, to consent to and approve the adoption by the City of such ordinance or ordinances supplemental hereto as shall be deemed necessary or desirable by the City for the purpose of modifying, altering, amending, adding to or rescinding in any particular any of the terms or provisions contained in this ordinance, or in any supplemental ordinance; provided, however, that nothing herein contained shall permit or be construed as permitting:



(a) An extension of the maturity of the principal of or interest on any bond issued pursuant to this ordinance; or

(b) A reduction in the principal amount of any bond or the redemption premium or the rate of interest thereon; or

(c) The creation of a lien upon or a pledge of the revenues of the sewage works ranking prior to the pledge thereof created by this ordinance; or

(d) A preference or priority of any bond or bonds issued pursuant to this ordinance over any other bond or bonds issued pursuant to the provisions of this ordinance; or

(e) A reduction in the aggregate principal amount of the bonds required for consent to such supplemental ordinance.

The holders of not less than sixty-six and two-thirds per cent (66-2/3%) in aggregate principal amount of the bonds outstanding at the time of adoption of such supplemental ordinance shall have consented to and approved the adoption thereof by written instrument to be maintained on file in the office of the Clerk of the City. No holder of any bond issued pursuant to this ordinance shall have any right to object to the adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the City or its officers from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this section, this ordinance shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this ordinance of the City and all holders of bonds issued pursuant to the provisions of this ordinance then outstanding, shall thereafter be determined exercised and enforced in accordance with this ordinance, subject in all respects to such modifications and amendments. Notwithstanding anything contained in the foregoing provisions of this ordinance, the rights and obligations of the City and of the holders of the bonds authorized by this ordinance, and the terms and provisions of the bonds and this ordinance, or any supplemental ordinance, may be modified or altered in any respect with the consent of the City and the consent of the holders of all the bonds issued pursuant to this ordinance then outstanding.

Sec. 17. The estimate of the rates and charges is:

#### Article VI. User Charges

##### Sec. 24-27. User Volume Charges.

The water usage schedule upon which charges for services rendered by the Sewer Utility shall be based on water consumption unless otherwise metered or exempted in accordance with the following user classifications and the following charges for services for each such classifications:



Service Charge (cents per 100 cu. ft.)

	<u>Class of User</u>	
	<u>Domestic</u>	<u>Manufacturing</u>
Treatment	18.74	18.74
Conveyance, Collection, Billing	18.23	11.88
Capital	11.73	8.88
Total User Charge	48.70	39.50

Sec. 24-28. User Minimum Charges.

In the event the monthly sewage service charge calculated in accordance with the water consumption schedule in Sec. 24-27 does not exceed the minimum monthly charge for each class of user as set forth thereafter user shall pay said minimum monthly charge in lieu of the charge calculated based on water usage, as follows:

<u>Water Meter Size</u>	<u>Minimum Monthly Charge</u>
5/8 - 3/4"	\$ 2.43
1 - 1/2"	8.58
2"	17.51
3"	35.18
4"	58.48
6" or larger	162.44

Sec. 24-29. User Flat Charges.

In the event any user is not a metered water customer, there shall be imposed flat charge rates as follows:

<u>Classification of Customer</u>	<u>Monthly Flat Charge (1)</u>	
	<u>In-City</u>	<u>Out-City</u>
Domestic User - Single Family Dwelling	\$ 4.87	\$ 5.84
Domestic User - Multi-Family Dwelling	To be estimated by City	
Commercial and Industrial User	To be estimated by City	

(1) Estimates of monthly flat charges for multi-family dwellings shall be based on the number of family units accommodated by the system multiplied by the single family dwelling monthly charges. Estimates of monthly flat charges for commercial and industrial establishments shall be either estimated based on number of employees, manufacturing processes used and other pertinent sewer use indicators or based upon outfall measurements where available.

Sec.24-29A. Special Capital Surcharge.

Each user discharging wastes into the sewage systems acquired by the City of Fort Wayne, Indiana, from and located in St. Joseph Township and Adams Township, Allen County, Indiana, as well as all future extensions thereof shall be subject to and shall pay a special capital surcharge in the amount of \$4.65 per month in addition to all other sewer service charges or other charges imposed by this Ordinance. Said capital surcharge shall be collected from said users until such time as the principal of and all interest and other costs arising from the borrowing of funds by the City for the acquisition of said sewer system shall have been paid in full from the total of the capital surcharge herein imposed.

Sec. 24-30. Contract Customers - Unit and Other Charges.

In the event the City consummates a contract to serve as a regional treatment plant for any other municipality or private regional treatment plant for any other municipality or private sewage utility, either contiguous to the City or in its environs, said contract shall provide for the following unit charges:

(a) Volume Charge (cents per 100 cu. ft.)

Treatment	18.74
Capital Charge	11.76
	<u>30.50</u>

(b) Variable Charge (cents per 100 cu. ft.)

A variable charge for conveyance and collection costs attributable to that portion of the conveyance system and operating costs associated therewith used by the contract customer shall be computed by the City and added to the volume charge.

(c) Flat Charge.

In addition to the foregoing charges based on volume of sewage treated and conveyed each contract customer will pay a monthly billing charge of \$.55 and a monthly surveillance charge of \$82.20.

(d) Excess Strength of Wastes Surcharge.

In the event a contract customer contributes waste having a strength in excess of domestic waste characteristics, as hereinbefore defined, a surcharge based on the following unit process charge will be in effect for all waste found to be in excess of limitations:

	<u>Cents Per Pound</u>
Suspended Solids - (SS)	3.931
Biochemical Oxygen Demand - (BOD)	3.926
Phosphorus - (P)	37.619

(e) Capital Surcharge.

In the event contract customer delivers sewage for treatment to City for a period of 90 consecutive days which is in excess of base MGD contracted for, then customer will be subject to an additional capital charge computed at the capital charge (per 100 cu. ft.) then in effect times the excess percentage of MGD represented by dividing actual MGD by contracted MGD.

(f) Other Provisions.

In the event sewage received pursuant to any contract entered into under this section exceeds any of the limitations imposed by this Chapter, the City shall have the right to impose all charges, limitations and penalties applicable to any non-contract user served by the City. Each contract entered into by the City pursuant to the foregoing rate classification shall provide that contract customer shall agree to enact and maintain a Sewer Use Ordinance, Industrial Cost Recovery System and User Charge System acceptable to the City and in conformance with the City's obligations under Sec. 204(b)(1) Public Law 92-500 as

amended and supplemented and guidelines and regulations promulgated thereunder by the U. S. Environmental Protection Agency and 40 CFR 35.905-8, 35-928-1 and 35-928-2, and 35-935-13.

Sec. 24-31. Bulk Waste Charges.

- |            |   |
|------------|---|
| Industrial | - For all industrial waste picked up from customer and hauled in City's vehicles to Plant - \$163.00 per load.  |
| Domestic   | - For all domestic waste delivered to plant by customer's truck or tank - \$23.85 per load. For purposes of computing charges hereunder, a load is defined as 1,000 gallons of tank capacity or fraction thereof. |

Sec. 24-32. Annual Review of Service Charges.

Prior to May 1 of each year, the General Auditor of the City Utilities and an independent certified public accountant employed for that purpose shall submit to the Board of Public Works a comparison of the calculated unit cost for flow, removal of BOD, suspended solids, and phosphorus per year, with the unit charges currently in effect from which the Board shall determine whether the current service charges and surcharges are adequate or should be changed. The methodology utilized in developing this cost comparison shall include:

1. A system including the distribution of the cost of operation and maintenance of the treatment works of the WPC Utility to each user class in proportion to such user's contribution to the total waste loading of the treatment works. Factors such as strength, volume, and delivery flow characteristics shall be considered and included as the basis for the user's contribution to insure a proportional distribution of operation and maintenance and replacement costs to each user class.

2. Total annual service charges and surcharges collected from each individual user class shall be deemed sufficient if said charges have generated during the prior operating period sufficient revenue to offset the cost of all treatment works operation and maintenance provided by the Utility, including cost of management, system repair and replacement, debt retirement and other costs incidental to the Utility Operation attributable to such class.

Article VII. Strength-of-Wastes Surcharge

Sec. 24-35. Rates of Surcharge.

The rate of surcharge for each of the aforementioned constituents:

- |  |                        |
|--|------------------------|
| a. For suspended solids (SS)             | 3.931 cents per pound  |
| b. For biochemical oxygen demand - (BOD) | 3.926 cents per pound  |
| c. For phosphorus (P)                    | 37.619 cents per pound |

Sec. 24-36. Waste Evaluation Charges.

All users discharging wastes into the system requiring continuing surveillance sampling and waste evaluation shall be subject to a monthly fixed charge to cover the costs of such services in the amount of \$82.20 per discharge point.

Sec. 18. All ordinances and parts of ordinances in conflict herewith are hereby repealed; provided, however, that this ordinance shall not be deemed in any way to repeal, amend, alter or modify the ordinances authorizing the issuance of the 1959 Bonds, the 1961 Bonds, the 1970 Bonds or the 1975 Bonds, or the Connection Bonds, if issued, nor be

construed as adversely affecting the rights of the holders of the aforementioned outstanding 1959 Bonds, 1961 Bonds, 1970 Bonds or the 1975 Bonds or Connection Bonds, if issued.

Sec. 19. This ordinance shall be in full force and effect from and after its passage and signing by the Mayor.

Passed and adopted by the Common Council of the City of Fort Wayne, Indiana, as Special Ordinance No. S-87-82 on the 25th day of May, 1982.

ATTEST:

/s/ Charles W. Westerman  
CHARLES W. WESTERMAN - CITY CLERK

/s/ Samuel J. Talarico  
PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the 26th day of May, 1982, at the hour of 11:30 o'clock a.m., E.S.T.

/s/ Charles W. Westerman  
CHARLES W. WESTERMAN  
CITY CLERK

Approved and signed by me this 1st day of June, 1982, at the hour of 10 o'clock a.m., E.S.T.

/s/ Win Moses, Jr.  
WIN MOSES, JR. - MAYOR

## DESCRIPTION OF THE CITY

### Location

The City of Fort Wayne is located in northern Indiana, 116 miles northeast of Indianapolis, 154 miles east of Chicago and 156 miles southwest of Detroit. It is the county seat of Allen County.

### Population-Employment

	<u>Fort Wayne</u>	<u>Allen County</u>
Population:		
1850	4,282	16,919
1870	17,718	43,494
1900	45,115	77,270
1950	133,607	155,085
1960	161,776	232,192
1970	178,021	280,455
1980	171,036	291,759

Employment: Work Force 190,000 (Metro Area), unemployment rates reported by Indiana Employment Security Division are as follows:

March 1981	10.2
June 1981	9.3
September 1981	8.7
December 1981	11.0
March 1982	13.0 (Est.)

### Taxes

Assessed Valuation: \$719,460,040 for taxes payable in 1982.

Property Tax: \$7.02 per \$100 of assessed valuation after property tax credit of 20% (paid by State from sales tax receipts). Household goods are exempt.

Sales & Use Tax: 4% tangible personal property except food and prescription drugs.

Individual Adjusted Gross Income: 1.9% of earnings - \$1,000 annual exemption for taxpayer and spouse plus \$500 for each dependent.

Intangibles Tax: 5 cents on each \$20.00 of actual value or fraction thereof.

Excise Tax: Cigarettes - 10.5 cents per package. Gasoline - 8 cents per gallon.

Automobile Tax: Excise tax in lieu of personal property tax, based on initial retail price and age of vehicle.

### Education

Public Schools: 55 schools, including 6 senior and 12 junior high schools.

Parochial Schools: 18 Catholic, including 2 senior high schools; 12 Lutheran, including one senior high school.

Colleges/Universities: Indiana-Purdue Regional Campus, St. Francis College, Concordia Theological Seminary, Fort Wayne Bible College, International Business College, Indiana Vocational Technical College, and Indiana Institute of Technology.

### Transportation

Air Lines: Delta (north-south), United (far west), Air Wisconsin (east-west).

Railroads: ConRail - Norfolk & Western.

Highways: I-69; US 24, 27, 30, 33; State Roads 1, 3, 14, 37.

Streets: 655 miles of roadways within corporate limits.

Inter-City Bus: ABC Coach, Indiana Motor Bus, Greyhound, Trailways.

Motor Carriers: 55 motor carriers of which 50 have terminals in Fort Wayne.

Intra-City Bus: Fort Wayne Public Transportation Corporation.

## Utilities

Electricity: Indiana & Michigan Electric Co.

Gas: Northern Indiana Public Service Co.

Water: City-owned filtration plant. Capacity per day - 72 million gallons -62,000 users.

Sewage: City-owned plant designated as a regional water pollution control facility by EPA. New 60 mgd plant completed in 1977. There are presently 60,000 users.

Telephone: General Telephone Company of Indiana.

## Community Data

Airports: Baer Field - scheduled airlines, private/military flying and Smith Field - private only.

Altitude: 791 feet above sea level.

Area: 53 square miles.

Churches: City of churches - 257 churches virtually representing all denominations.

City Government: Mayor - Councilmanic form. 21 wards, 223 precincts in the county. Nine council members.

Climate: 35.80 inches of rainfall annually - mean annual temperature of 49.9 degrees.

Fire Protection: 11 stations, 264 men, 55 pieces of equipment. (Class 3 fire insurance rating.)

Police Protection: 287 men and 23 women - 150 pieces of equipment.

Hospitals: Lutheran, Parkview and St. Joseph with a total of 1,800 beds. VA Hospital located here, plus numerous nursing homes.

Parks: 76 public parks and playgrounds covering 1,800 acres, including a zoo, floral gardens, tennis courts, swimming pools, golf courses.

Trucks and Cars: 189,000 registrations in county.

Recreation: 8 public and 2 club-owned golf courses, 3 indoor tennis clubs, 16 bowling alleys, War Memorial Coliseum seating up to 10,000 for recreational events. Fort Wayne Komets represented in International Hockey League competition, Fort Wayne Sport Club plays in Indiana-Ohio Soccer League. Area Soap Box Derby, 16 movie theaters, 200 lakes in 50 mile radius of city.

Cultural: Fort Wayne Fine Arts Foundation and its various performing groups. Community Center for the Performing Arts located downtown. Annual Three Rivers Festival attracts thousands of spectators with over 100 historical events, displays and parades. Reconstructed 1816 Fort near downtown.

Voting Requirement: 18 years of age and 30 day residency requirement in state, township, and precinct.

## Business Data

Building Permits: 1980 residential permits in city - 185 with valuation of \$7,400,000.

Financial: Two national and four state banks with 46 branches. Four Savings & Loan Associations, 33 finance companies. Bank deposits \$1,519,917,000.

Hotels-Motels: 32 with more than 2,800 rooms.

Newspapers: News-Sentinel evening daily, Journal-Gazette morning daily and Sunday - joint ownership.

Manufacturers: 375 in county, employing approximately 52,900.

Professions: 125 dentists, 275 lawyers, 325 physicians, 250 clergymen.

Radio & Television: Radio - WPTH, WMEE, WMEF, WGL, WLYV, WOWO, WFWR. Television - WKJG, WANE, WPTA, WFFT.

Retail: County retail sales over one billion dollars. Retailers are served by Downtown Fort Wayne Association, several shopping center associations, Better Business Bureau, and Fort Wayne Credit Bureau.

Wholesalers: Nearly 750 wholesalers account for annual sales of more than \$1.4 billion.

## CITY DEBT AND TAXATION

### Direct and Overlapping Debt - January 2, 1982

<u>Issuer</u>	<u>Total Direct Debt</u>	<u>% Applicable</u>	<u>Amount</u>
Park District	\$ 6,950,000	100.0	\$ 6,950,000
Redevelopment Commission	7,540,000	100.0	7,540,000
Civil City (1)	8,660,000	100.0	8,660,000
School City	7,535,000	73.1	5,508,085
Fort Wayne Library District	3,435,000	52.5	1,803,375
Public Transportation Corp.	1,043,680	68.0	709,702
Allen County	8,485,000	51.5	<u>4,369,775</u>
Total Direct & Overlapping Debt			\$ <u>35,540,937</u>

(1) Includes bonds proposed to be issued in August 1982

Limitation (as a percentage of assessed valuation) - 2%

Total Assessed Valuation - 1981-82 \$ 719,460,040

2% Thereof \$ 14,389,201  
 Present and Proposed Bonds - subject to limitation 8,660,000

Issuance Margin \$ 5,729,201

### Per Capita Debt Analysis

Population	171,036
Assessed Valuation	\$ 719,460,040
Direct and Overlapping Debt	\$ 35,540,937
Debt Per Capita	\$ 208
Assessed Valuation Per Capita	\$ 4,206
Ratio of Debt to Assessed Valuation	% 4.9

### Other City and County Debt

<u>City Debt</u>	Outstanding <u>1-2-82</u>
Parking Revenue Bonds	\$ 985,000
Baer Field Building Corporation	2,550,000
Community Schools - Lease Rental Debt	13,305,000

<u>County Debt</u>	Outstanding <u>7-2-81</u>
School Lease Rental Debt	
East Allen County Schools	\$ 25,288,000
Northwest Allen County Schools	3,490,000
Metro School District	10,020,000



Hospital Authority Debt

	<u>Outstanding</u> <u>7-2-81</u>
Parkview Memorial Hospital	\$ 13,405,000
Lutheran Hospital	13,930,000
St. Joseph's Hospital	11,430,000

City-Owned Utility Debt

<u>Utility</u>	<u>Final</u> <u>Maturity</u>	<u>Interest Rates</u>	<u>Outstanding</u> <u>1-2-82</u>
Sewage Works - 1959	1990	3 1/4% - 3 7/8%	\$ 1,085,000
- 1961	1993	3 1/2% - 7%	1,190,000
- 1970	1995	6 1/2% - 7%	2,255,000
- 1975	1997	5% - 7%	6,050,000
Water Works - 1967	2000	5%	2,405,000
- 1968	2000	5.5% - 5.4%	2,605,000
- 1978	2003	6% - 6 3/4%	17,015,000

**Prospective Debt Issues**

<u>Issuer</u>	<u>Type*</u> <u>Of Debt</u>	<u>Purpose of Issue</u>	<u>Projected</u> <u>Issue Date</u>	<u>Estimated</u> <u>Amount</u>
Water Utility	R	Fund Utility Purchase	October 1982	1,440,000
Public Transportation Corp.	GO	Purchase Equipment and Other Projects	August 1982	3,100,000

\*R - Revenue

GO- General Obligation

**Total City Tax Rates (1)**

(Per \$100 Assessed Valuation)

**Total Civil City and County Tax Rates**

<u>City-Township</u>	<u>1981</u>	<u>1980</u>	<u>1979</u>	<u>1978</u>	<u>1977</u>
Adams	\$ 8.8609	\$ 8.3049	\$ 8.2222	\$ 10.6818	\$ 10.489
Pleasant	8.6505	8.2952	8.2102	10.6768	10.501
St. Joseph	8.6472	8.3009	8.1965	10.6478	10.498
Washington	8.6587	8.3072	8.2052	10.6578	10.505
Wayne	8.7790	8.4309	8.2988	10.6858	10.569

**Analysis of Civil City and County Tax Rate**

	<u>City - Wayne Township</u>			
	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
State	\$ .0100	\$ .0100	\$ .0100	\$ .0100
County	1.5100	1.1170	1.1533	1.2139
Township	.0440	.1116	.1367	.1385
City Schools	4.6400	3.5340	3.5750	3.7344
Library	.4480	.3348	.2650	.2690
	<u>6.6520</u>	<u>5.1074</u>	<u>5.1400</u>	<u>5.3658</u>

City				
General Fund	2.7302	2.1186	2.3042	2.3610
Police Pension	.2698	.1875	.1811	.2283
Fire Pension	.2353	.1994	.1629	.1985
Sanitary Pension	-	.0109	.0090	.0127
Street Bond	.0566	.0506	.0456	*
Redevelopment - Bond	.0201	.0467	.1085	*
Redevelopment - General	.0039	.0167	.0117	.0111
Redevelopment - Capital	-	.0336	-	-
Parks	.4794	.3632	.3704	.3707
Public Transportation				
-General	.1270	.0990	.0975	.1001
-Bonds	-	-	-	.0410
Fine Arts	.0061	.0053	-	-
Sewer Relief	.0406	.0353	-	-
Public Lighting	.0468	.0246	-	-
New Police Pension	.0109	-	-	-
New Fire Pension	.0071	-	-	-
Civil City Bonds	-	-	-	.0898
Total Civil City	<u>4.0338</u>	<u>3.1914</u>	<u>3.2909</u>	<u>3.4132</u>
Total Civil City and				
County Tax Rate	\$ <u>10.6858</u>	\$ <u>8.2988</u>	\$ <u>8.4309</u>	\$ <u>8.7790</u>

Included in the total tax rates were the following  
detailed Civil City levies:

	<u>1978-79</u>	<u>1979-80</u>	<u>1980-81</u>	<u>1981-82</u>
Corporation General	\$ 2.7302	\$ 2.1186	\$ 2.3042	\$ 2.3610
Fire Pension	.2353	.1875	.1811	.1985
Police Pension	.2698	.1994	.1629	.2283
Sanitary Officer Pension	-	.0109	.0090	.0127
Sewer	.0406	.0353	-	-
Public Lighting	.0468	.0246	-	-
Redevelopment-General	.0039	.0167	.0117	.0111
Redevelopment-Capital	-	.0336	-	-
Redevelopment-Bond	.0201	.0467	.1085	*
Parks - General	.4794	.3632	.3704	.3707
Public Transportation				
-General	.1270	.0990	.0975	.1001
-Bond	-	-	-	.0410
Fine Arts	.0061	.0053	-	-
Street Bonds	.0566	.0506	.0456	*
New Police Pension	.0109	-	-	-
New Fire Pension	.0071	-	-	-
Civil City Bonds	-	-	-	.0898
	<u>\$ 4.0338</u>	<u>\$ 3.1914</u>	<u>\$ 3.2909</u>	<u>\$ 3.4132</u>

\* In 1981 new budgeting procedures require all civil city bond repayment levies to be carried in one account.

(1) Includes Allen County and overlapping levies, payable in succeeding year. All tax rates exhibited are before deduction of 20% thereof for property tax relief funds provided from State of Indiana tax sources and before deduction for homestead credits.

All property was subject to reassessment for the 1979 tax period and subsequently resulted in higher property valuations and lower unit rates.

### Assessed Valuation

Assessed valuation of real and personal property represents approximately one-third of true value and is net of exemptions. Reassessment of real estate is undertaken every ten years, as required by statute. This periodic reassessment accounts for the dramatic increase in Fort Wayne's assessed value in 1979-1980 as exhibited hereafter.

<u>Assessment Year</u>	<u>Net Assessed Valuation</u>
1973-74	\$ 407,317,600
1974-75	438,045,450
1975-76	452,073,170
1976-77	462,847,141
1977-78	479,255,355
1978-79	492,772,232
1979-80	667,792,925
1980-81	698,211,270
1981-82	719,460,040

Assessed valuation of Allen County for 1980-81 was \$1,363,966,300 and for 1981-82 is \$1,399,281,515.

### General Fund Taxes Levied and Collected

<u>Year</u>	<u>Tax Rate</u>	<u>Levied</u>	<u>Collected</u>	<u>Ratio</u>
1977-78	\$ 3.7800	\$ 18,115,852	\$ 18,150,995	100.2
1978-79	4.0338	19,251,623	19,501,672	101.3
1979-80	3.1914	20,575,590	20,589,024	100.1
1980-81	3.2909	22,296,696	22,466,029	100.8

### Largest City and County Taxpayers

<u>Taxpayer</u>	<u>1980-81 Assessed Valuation</u>
General Telephone Co. of Indiana-telephone utility	\$ 19,407,920
General Electric Co.-electrical apparatus	19,103,120
Dana Corporation-axles and differentials	15,873,190
Indiana & Michigan Electric Co.-electric utility	15,008,270
Connecticut General Mortgage Co.-apartments	11,036,800
Lincoln National Corporation-life insurance company	8,734,350
Northern Indiana Public Service Co.-electric & gas utility	6,997,850
Lake County Trust Co.-shopping center	6,810,240
Joslyn Stainless Steels-ingots, billets, bars	6,105,120
International Harvester Co.-heavy duty trucks	5,178,800
Southtown Mall-shopping center	4,687,500
Tokheim Corporation-fuel pumps and parts	4,667,270

**Schedule of Major Employers**  
March 1982

	<u>Employment</u>
General Electric Company	4,700
Magnavox	4,700
General Telephone Company	2,500
International Harvester	5,500
Parkview Hospital	2,500
North American Van Lines	1,600
Zollner Piston	1,300
Goodrich Tire	1,600
Essex Wire	1,000
Lincoln National Life Insurance	3,200
Dana Corporation	1,200

# CITY OF FORT WAYNE

## Analysis of Present and Proposed General Obligation Debt April 1982

Year Ended 12-31	Street Bonds 1975	City-County Building 1966	Inner City Storm Relief 1970	Total Current Debt Service (Tax Revenues)	Proposed Municipal Bonds (12% Interest)	Pro Forma Debt Service (Tax Revenues)	Airport Bonds 1979 (Service Revenues)	Total General Obligation Debt Service
1982	\$ 375,089	\$ 150,838	\$ 194,800	\$ 720,727	\$ 0	\$ 720,727	\$ 656,075	\$ 1,376,802
1983	377,489	151,025	187,600	716,114	459,400	1,175,514	233,575	1,409,089
1984	378,940	146,125	180,000	705,065	424,800	1,129,865	226,075	1,355,940
1985	378,550	71,225	172,000	621,775	427,600	1,049,375	218,575	1,267,950
1986	377,448		164,000	541,448	429,200	970,648	211,075	1,181,723
1987	380,348			380,348	429,600	809,948	204,025	1,013,973
1988	381,943			381,943	428,800	810,743	197,725	1,008,468
1989	381,883			381,883	426,800	808,683	191,600	1,000,283
1990	190,550			190,550	428,600	619,150	185,350	804,500
1991					653,600	653,600	179,100	832,700
1992					654,800	654,800	221,288	876,088
1993					660,600	660,600	211,800	872,400
1994					664,800	664,800	203,200	868,000
1995					534,400	534,400	192,600	727,000
1996							182,850	182,850
1997							172,950	172,950
1998							163,500	163,500
1999							154,500	154,500
	<u>\$ 3,222,240</u>	<u>\$ 519,213</u>	<u>\$ 898,400</u>	<u>\$ 4,639,853</u>	<u>\$ 6,623,000</u>	<u>\$ 11,262,853</u>	<u>\$ 4,005,863</u>	<u>\$ 15,268,716</u>

Tax Levy Required - cents per \$100 valuation (1)

9.953

6.385

16.338

19.585

(1) Based on 1981-82 assessed valuation for 1983 debt service requirement

CITY OF FORT WAYNE  
Fort Wayne, Indiana

Schedule of General Fund Receipts and Disbursements  
Years Ending December 31, .

	<u>1981</u>	<u>1980</u>	<u>1979</u>	<u>1978</u>
Balance, January 1	\$ <u>535,220</u>	\$ <u>1,566,180</u>	\$ <u>1,230,823</u>	\$ <u>784,041</u>
<u>Receipts</u>				
Property Taxes	16,208,675	14,105,519	13,625,059	11,594,098
Other Taxes	2,744,361	2,713,050	2,561,276	2,406,363
Refunds and Reimbursements	556,834	1,294,221	972,235	1,063,467
Interest Income	554,859	629,936	900,588	496,945
Licenses, Permits, Violations	210,003	189,258	203,216	177,721
Other Receipts	490,374	160,229	243,189	282,308
Transfers - City Utilities	734,421	662,208	648,066	1,379,808
- Other	<u>400,000</u>	<u>628,640</u>	<u>0</u>	<u>397,000</u>
Total Receipts	<u>21,899,527</u>	<u>20,383,061</u>	<u>19,153,629</u>	<u>17,797,710</u>
Total Funds Available	<u>22,434,747</u>	<u>21,949,241</u>	<u>20,384,452</u>	<u>18,581,751</u>
<u>Disbursements</u>				
Mayor's Office	130,993	117,562	106,712	102,190
Controller's Office	694,923	3,241,082	2,224,072	2,162,780
Purchasing	102,073	75,595	81,687	76,178
Metropolitan Human Relations	104,292	92,466	85,981	79,568
City Clerk's Office	152,612	142,428	144,232	140,475
Board of Works	3,476,590	3,184,122	2,996,396	2,870,605
Public Affairs	70,065	52,445	54,404	48,697
Community Development and Planning	347,814	278,588	275,685	219,879
Street Engineering	423,659	374,972	335,433	335,872
Board of Safety	39,839	61,371	23,885	7,510
Police	7,310,775	6,301,267	5,697,491	5,196,721
Fire	5,557,818	4,983,065	4,505,955	4,068,857
Emergency Services	23,233	18,704	27,844	22,099
Weights and Measures	42,519	34,149	29,302	28,002
Communications	705,334	615,552	586,265	541,392
Traffic Engineering	925,204	791,541	766,899	709,413
Law	172,298	198,990	147,893	133,345
Humane Commission	315,407	253,642	225,130	192,932
Emergency Medical Services	985,247	609,511	434,738	390,117
Miscellaneous and Adjustments	<u>12,257</u>	<u>(13,031)</u>	<u>68,268</u>	<u>24,296</u>
Total Disbursements	<u>21,592,952</u>	<u>21,414,021</u>	<u>18,818,272</u>	<u>17,350,928</u>
Balance, December 31,	\$ <u>841,795</u>	\$ <u>535,220</u>	\$ <u>1,566,180</u>	\$ <u>1,230,823</u>

(Prepared without audit, subject to comments of transmittal letter.)

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## **APPENDIX A**

CITY OF FORT WAYNE  
Enterprise Operations - Utilities

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June 30, 1982

Common Council  
City of Fort Wayne  
Fort Wayne, Indiana 46802

In re: Sale and Issuance of \$3,400,000 Sewage Works Revenue Bonds of 1982 and  
\$4,000,000 Sewer Connection Revenue Bonds of 1982

Gentlemen and Madam:

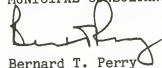
Pursuant to our employment as independent financial consultants, we have made certain studies, prepared certain schedules and reports and have undertaken the drafting, publication and distribution of the City's Official Statement in connection with the above-mentioned financing.

The accompanying exhibits, the descriptive matter and financial data contained elsewhere in the Official Statement have been prepared by us without audit and accordingly we express no opinion thereon.

The statements and information relating to the City and its political subdivisions, in our opinion, are true and correct in all material respects. All other data has been obtained from sources which we believe are reliable.

Respectfully submitted,

MUNICIPAL CONSULTANTS, INC.



Bernard T. Perry

## **Municipal Consultants, Inc.**

Suite 202  
235 South Maitland Avenue  
Maitland, Florida 32751  
(305) 644-1068

Suite 1251 - South Tower  
One Merchants Plaza  
Indianapolis, Indiana 46204  
(317) 635-3442

BTP:jk  
Encs.

CITY OF FORT WAYNE  
Fort Wayne, Indiana

Water Pollution Control Utility  
Comparative Balance Sheet

	<u>December 31,</u>				
	<u>1981</u>	<u>1980</u>	<u>1979</u>	<u>1978</u>	<u>1977</u>
<u>ASSETS</u>					
<u>Utility Plant</u>					
Utility Plant in Service	\$ 83,717,979	\$ 78,846,506	\$ 76,523,196	\$ 71,086,376	\$ 36,879,587
Less Accumulated Depreciation	<u>(15,746,782)</u>	<u>(13,925,316)</u>	<u>(12,171,499)</u>	<u>(10,464,722)</u>	<u>(9,808,287)</u>
Total Utility Plant	<u>67,971,197</u>	<u>64,921,190</u>	<u>64,351,697</u>	<u>60,621,654</u>	<u>27,071,300</u>
<u>Construction Work in Progress</u>	<u>29,325,076</u>	<u>4,244,782</u>	<u>2,650,841</u>	<u>3,956,943</u>	<u>32,986,375</u>
Net Utility Plant	<u>97,296,273</u>	<u>69,165,972</u>	<u>67,002,538</u>	<u>64,578,597</u>	<u>60,057,675</u>
<u>Sinking Fund</u>	<u>1,210,737</u>	<u>1,984,176</u>	<u>1,602,519</u>	<u>1,287,710</u>	<u>1,269,083</u>
<u>Current and Accrued Assets</u>					
Cash and Temporary Cash Investments	3,672,316	7,547,036	3,678,481	4,046,220	4,986,254
Accounts Receivable	1,489,956	1,648,103	959,473	795,627	514,121
Provision for Uncollectible Accounts	(27,166)	(26,047)	(42,059)	(42,328)	(37,629)
Receivables From Associated Companies	73,306	38,208	44,117	189,269	49,962
Materials and Supplies	49,079	49,192	57,091	23,890	29,239
Prepaid Insurance	32,827	25,124	23,348	32,720	36,102
Other Receivables	<u>23,188</u>	<u>230,947</u>	<u>5,482,131</u>	<u>4,790,059</u>	<u>4,477,084</u>
Total Current and Accrued Assets	<u>5,313,506</u>	<u>9,512,563</u>	<u>10,202,582</u>	<u>9,835,457</u>	<u>10,055,133</u>
<u>Deferred Debits</u>					
Miscellaneous Deferred Debits	<u>68,643</u>	<u>75,729</u>	<u>83,022</u>	<u>90,570</u>	<u>98,179</u>
 TOTAL ASSETS	 <u>\$ 103,889,159</u>	 <u>\$ 80,738,440</u>	 <u>\$ 78,890,661</u>	 <u>\$ 75,792,334</u>	 <u>\$ 71,480,070</u>

	December 31,				
	<u>1981</u>	<u>1980</u>	<u>1979</u>	<u>1978</u>	<u>1977</u>
<u>LIABILITIES AND EQUITY</u>					
<u>Equity of Municipality</u>					
Equity of Municipality	\$ 8,642,700	\$ 8,642,700	\$ 8,642,700	\$ 8,642,700	\$ 8,642,700
Contributions in Aid of Construction	73,125,889	50,905,585	44,286,332	41,290,334	36,739,268
Total Retained Earnings	<u>7,994,863</u>	<u>8,345,766</u>	<u>8,259,180</u>	<u>8,037,543</u>	<u>8,054,164</u>
Total Equity of Municipality	<u>89,763,452</u>	<u>67,894,051</u>	<u>61,188,212</u>	<u>57,970,577</u>	<u>53,436,132</u>
<u>Long Term Debt</u>					
Revenue Bonds	10,145,000	10,580,000	10,990,000	11,375,000	11,745,000
Other Long Term Debt	<u>32,498</u>	<u>53,913</u>	<u>56,840</u>	<u>77,028</u>	<u>100,312</u>
Total Long Term Debt	<u>10,177,498</u>	<u>10,633,913</u>	<u>11,046,840</u>	<u>11,452,028</u>	<u>11,845,312</u>
<u>Current and Accrued Liabilities</u>					
Current Portion - Long Term Debt	435,000	410,000	385,000	370,000	345,000
Accounts Payable	2,118,411	323,397	280,072	720,882	793,329
Payable to Associated Companies	329,873	146,441	104,988	95,225	111,535
Miscellaneous Accrued Liabilities	127,757	145,187	120,849	102,169	172,049
Accrued Bond Interest Payable	263,640	273,306	282,569	291,394	299,629
Deferred Credits					
- Federal & State Grants	<u>673,528</u>	<u>912,145</u>	<u>5,482,131</u>	<u>4,790,059</u>	<u>4,477,084</u>
Total Current & Accrued Liabilities	<u>3,948,209</u>	<u>2,210,476</u>	<u>6,655,609</u>	<u>6,369,729</u>	<u>6,198,626</u>
TOTAL LIABILITIES AND EQUITY	\$ <u>103,889,159</u>	\$ <u>80,738,440</u>	\$ <u>78,890,661</u>	\$ <u>75,792,334</u>	\$ <u>71,480,070</u>

(Prepared without audit, subject to comments of transmittal letter.)

CITY OF FORT WAYNE  
Fort Wayne, Indiana

Water Pollution Control Utility  
Comparative Statement of Net Revenues

	Year Ended December 31,				
	<u>1981</u>	<u>1980</u>	<u>1979</u>	<u>1978</u>	<u>1977</u>
<u>Revenues</u>					
Operating Revenues	\$ 5,385,873	\$ 5,249,910	\$ 5,816,317	\$ 4,708,446	\$ 3,886,274
Interest Income	1,356,372	992,943	551,520	445,180	485,625
Other Income	<u>127,224</u>	<u>221,260</u>	<u>14,412</u>	<u>15,140</u>	<u>147,865</u>
Total Revenues	<u>6,869,469</u>	<u>6,464,113</u>	<u>6,382,249</u>	<u>5,168,766</u>	<u>4,519,764</u>
<u>Net Operating Expenses</u>					
Operations	2,940,614	2,788,551	2,706,153	2,731,509	2,478,554
Maintenance	956,305	671,649	568,869	593,565	496,014
Taxes - State and Federal	187,096	136,405	144,197	125,524	114,424
- Paid to Civil City	<u>441,058</u>	<u>331,104</u>	<u>315,383</u>	<u>331,104</u>	<u>320,982</u>
Net Operating Expenses	<u>4,525,073</u>	<u>3,927,709</u>	<u>3,734,602</u>	<u>3,781,702</u>	<u>3,409,974</u>
Net Revenues	\$ <u>2,344,396</u>	\$ <u>2,536,404</u>	\$ <u>2,647,647</u>	\$ <u>1,387,064</u>	\$ <u>1,109,790</u>

(Prepared without audit, subject to comments of transmittal letter.)

CITY OF FORT WAYNE  
Fort Wayne, Indiana

Water Pollution Control Utility  
Combined Amortization Schedule of Revenue Bonds of  
1959, 1961, 1970 and 1975

<u>Date</u>	<u>Total Bonds Outstanding</u>	<u>Bonds of 1975</u>	<u>Bonds of 1959, 1961, 1970</u>	<u>Total Annual Requirement</u>
8-1-82	\$ 10,580,000	\$ 566,250	\$ 500,488	\$ 1,066,738
8-1-83	10,145,000	569,000	497,992	1,066,992
8-1-84	9,685,000	560,700	504,980	1,065,680
8-1-85	9,200,000	557,050	510,942	1,067,992
8-1-86	8,685,000	552,700	515,628	1,068,328
8-1-87	8,140,000	542,650	524,254	1,066,904
8-1-88	7,565,000	547,250	521,362	1,068,612
8-1-89	6,955,000	555,450	512,588	1,068,038
8-1-90	6,310,000	588,225	483,650	1,071,875
8-1-91	5,625,000	647,750	429,426	1,077,176
8-1-92	4,895,000	547,075	530,688	1,077,763
8-1-93	3,940,000	681,275	401,962	1,083,237
8-1-94	3,295,000	825,400	256,850	1,082,250
8-1-95	2,420,000	843,150	246,100	1,089,250
8-1-96	1,480,000	825,580	0	825,580
8-1-97	740,000	<u>777,000</u>	<u>0</u>	<u>777,000</u>
		\$ <u>10,186,505</u>	\$ <u>6,436,910</u>	\$ <u>16,623,415</u>
<hr/>				
- - - - - Divide by 17 years - - - - -				
<hr/>				
Average Annual Requirement				\$ <u>977,848</u>

(Prepared without audit, subject to comments of transmittal letter.)



CITY OF FORT WAYNE  
Fort Wayne, Indiana

Amortization Schedule - \$3,400,000  
Sewage Works Revenue Bonds of 1982  
Maximum Interest Rate - 14%

<u>Date</u>	<u>Bonds Outstanding</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Annual Requirement</u>
7-1-82	\$ 3,400,000	\$	\$	\$
8-1-83	3,400,000		515,667	515,667
8-1-84	3,400,000		476,000	476,000
8-1-85	3,400,000		476,000	476,000
8-1-86	3,400,000		476,000	476,000
8-1-87	3,400,000		476,000	476,000
8-1-88	3,400,000		476,000	476,000
8-1-89	3,400,000		476,000	476,000
8-1-90	3,400,000		476,000	476,000
8-1-91	3,400,000		476,000	476,000
8-1-92	3,400,000		476,000	476,000
8-1-93	3,400,000		476,000	476,000
8-1-94	3,400,000		476,000	476,000
8-1-95	3,400,000		476,000	476,000
8-1-96	3,400,000	170,000	476,000	646,000
8-1-97	3,230,000	210,000	452,200	662,200
8-1-98	3,020,000	660,000	422,800	1,082,800
8-1-99	2,360,000	755,000	330,400	1,085,400
8-1-2000	1,605,000	<u>1,605,000</u>	<u>224,700</u>	<u>1,829,700</u>
		\$ <u>3,400,000</u>	\$ <u>8,133,767</u>	\$ <u>11,533,767</u>
<u>- - - - Divide by 18 1/12 years- - - -</u>				
Average Annual Requirement				\$ <u>637,824</u>

(Prepared without audit, subject to comments of transmittal letter.)

CITY OF FORT WAYNE  
Fort Wayne, Indiana

Amortization Schedule - \$4,000,000  
 Sewer Connection Revenue Bonds of 1982  
 Maximum Interest Rate - 14%

<u>Date</u>	<u>Bonds Outstanding</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Annual Requirement</u>
7-1-82	\$ 4,000,000	\$	\$	\$
8-1-83	4,000,000		606,667	606,667
8-1-84	4,000,000		560,000	560,000
8-1-85	4,000,000	60,000	560,000	620,000
8-1-86	3,940,000	70,000	551,600	621,600
8-1-87	3,870,000	80,000	541,800	621,800
8-1-88	3,790,000	90,000	530,600	620,600
8-1-89	3,700,000	100,000	518,000	618,000
8-1-90	3,600,000	115,000	504,000	619,000
8-1-91	3,485,000	130,000	487,900	617,900
8-1-92	3,355,000	150,000	469,700	619,700
8-1-93	3,205,000	170,000	448,700	618,700
8-1-94	3,035,000	195,000	424,900	619,900
8-1-95	2,840,000	220,000	397,600	617,600
8-1-96	2,620,000	360,000	366,800	726,800
8-1-97	2,260,000	410,000	316,400	726,400
8-1-98	1,850,000	825,000	259,000	1,084,000
8-1-99	1,025,000	940,000	143,500	1,083,500
8-1-2000	85,000	85,000	11,900	96,900
		<u>\$ 4,000,000</u>	<u>\$ 7,699,067</u>	<u>\$ 11,699,067</u>
<u>- - - - Divide by 18 1/12 years - - - - -</u>				
Average Annual Requirement				<u>\$ 646,965</u>

(Prepared without audit, subject to comments of transmittal letter.)

CITY OF FORT WAYNE  
Fort Wayne, Indiana

Water Pollution Control Utility  
 Combined Amortization Schedule -  
 Present and Proposed Bonds

<u>Year</u> <u>Ended</u>	<u>Debt Service</u>		<u>Bonds of 1959</u> <u>1961, 1970, 1975</u>	<u>Total Annual</u> <u>Requirement</u>
	<u>Sewer Connection</u> <u>Bonds - 1982</u>	<u>Sewer Revenue</u> <u>Bonds - 1982</u>		
8-1-82	\$ 46,667	\$ 39,667	\$ 1,066,738	\$ 1,153,072
8-1-83	560,000	476,000	1,066,992	2,102,992
8-1-84	560,000	476,000	1,065,680	2,101,680
8-1-85	620,000	476,000	1,067,992	2,163,992
8-1-86	621,600	476,000	1,068,328	2,165,928
8-1-87	621,800	476,000	1,066,904	2,164,704
8-1-88	620,600	476,000	1,068,612	2,165,212
8-1-89	618,000	476,000	1,068,038	2,162,038
8-1-90	619,000	476,000	1,071,875	2,166,875
8-1-91	617,900	476,000	1,077,176	2,171,076
8-1-92	619,700	476,000	1,077,763	2,173,463
8-1-93	618,700	476,000	1,083,237	2,177,937
8-1-94	619,900	476,000	1,082,250	2,178,150
8-1-95	617,600	476,000	1,089,250	2,182,850
8-1-96	726,800	646,000	825,580	2,198,380
8-1-97	726,400	662,200	777,000	2,165,600
8-1-98	1,084,000	1,082,800	0	2,166,800
8-1-99	1,083,500	1,085,400	0	2,168,900
8-1-2000	<u>96,900</u>	<u>1,829,700</u>	<u>0</u>	<u>1,926,600</u>
	\$ <u>11,699,067</u>	\$ <u>11,533,767</u>	\$ <u>16,623,415</u>	\$ <u>39,856,249</u>
Average Annual Requirement				\$ <u><u>2,097,697</u></u>

(Prepared without audit, subject to comments of transmittal letter.)

FORT WAYNE WATER POLLUTION CONTROL UTILITY  
Fort Wayne, Indiana

## Rate History

<u>Effective Date</u>	<u>Average Domestic Usage</u>	<u>Minimum Charge</u>
1940	.88	.55
1959	1.73	1.10
1969	2.34	1.50
1975	2.90	1.85
1977	2.58	1.95
1978	3.58	2.60
1979	3.55	2.22
1982	3.90	2.43

CITY OF FORT WAYNE  
Fort Wayne, Indiana

Water Pollution Control Utility  
 Schedule of Present and Prior Sewage Rates

	<u>Prior</u>	<u>Present</u>
<u>A. Service Charge (cents per 100 cu. ft.)</u>		
Total User Charge - Domestic	44.4	48.7
- Manufacturing	36.0	39.5
<u>B. Minimum Charges (per month)</u>		
Water Meter Size		
5/8 - 3/4 inch	\$ 2.22	\$ 2.43
1 - 1 1/2 inch	7.83	8.58
2 inch	15.98	17.51
3 inch	32.10	35.18
4 inch	53.36	58.48
6 inch or larger	148.21	162.44
<u>C. User Flat Charges</u>		
Domestic User - Single Family - In-City	\$ 4.44	\$ 4.87
- Out-City	5.33	5.84
<u>D. Regional Contract Treatment Charges</u>		
Volume Charge (cents per 100 cu. ft.)	27.8	30.5
Flat Charge - Billing Charge - cents per month	50.0	55.0
Surveillance Charge - per month	\$ 75.00	\$ 82.20
<u>E. Excess Strength of Waste Surcharge</u>		
Constituent Waste		
Suspended Solids (SS) - cents per pound	3.587	3.931
Biochemical Oxygen Demand (BOD) - cents per pound	3.582	3.926
Phosphorus (P) - cents per pound	34.324	37.619
<u>F. Industrial Surveillance Charge</u>		
Charge Per Month	\$ 75.00	\$ 82.20
<u>G. Inbalco Capital Surcharge</u>		
Charge Per Month	\$ 4.65	\$ 4.65
<u>H. Bulk Waste - Per Load</u>		
Industrial	\$ 148.75	\$ 163.00
Domestic	21.75	23.85
<u>I. Sewer Connection Charge (in lieu of cash payment)</u>		
Domestic - charge per month	\$ 30.00	\$ 30.00

(Prepared without audit, subject to comments of transmittal letter.)

CITY OF FORT WAYNE  
Fort Wayne, Indiana

Supplemental Information  
Typical Water and Sewage Billings -  
Present and Proposed Rates (1)

	Monthly Charge			
	Present	Proposed	Increase-\$	Increase-%
<u>Residential</u>				
Minimum - 5/8 - 3/4 inch	\$ 6.78	\$ 7.43	\$ .65	9.6
1,000 cubic feet	12.52	13.72	1.20	9.6
2,000 cubic feet	23.41	25.66	2.25	9.6
<u>Commercial</u>				
12,000 cubic feet	123.64	135.51	11.87	9.6
30,000 cubic feet	287.08	314.64	27.56	9.6
50,000 cubic feet	455.68	499.43	43.75	9.6
<u>Industrial</u>				
150,000 cubic feet	1,086.68	1,191.00	104.32	9.6
1,000,000 cubic feet	6,314.18	6,920.34	606.16	9.6
3,000,000 cubic feet	18,614.18	20,401.14	1,786.96	9.6
<u>Special Surcharges</u>				
Inbalco Capital-Sewer Only	4.65	4.65	0	0
Connection Revenue-Sewer Only	30.00	30.00	0	0

(1) Sewer rates as effective June 1, 1982.

Water rates pending subject to approval of Public Service Commission of Indiana.

(Prepared without audit, subject to comments of transmittal letter.)

CITY OF FORT WAYNE  
Fort Wayne, Indiana

Water Pollution Control Utility  
 Pro Forma Statement of Net Revenues and Coverage

<u>Gross Operating Revenues</u>	
Metered Sales	\$ 5,099,809
Sales to Public Authorities	84,445
Sales for Resale	310,108
Interdepartmental	6,660
Inbalco Users	765,009
Connection Charge Revenues	613,799
Interest Income	568,625
Other Revenues	<u>180,769</u>
Total Gross Operating Revenues	<u>7,629,224</u>
 <u>Net Operating Expenses</u>	
Operations	3,158,327
Maintenance	997,366
Taxes - State and Federal	208,000
- Paid to Civil City	<u>441,058</u>
Total Net Operating Expenses	<u>4,804,751</u>
 Pro Forma Net Revenues	 \$ <u><u>2,824,473</u></u>
Pro Forma Debt Service	\$ <u><u>2,097,697</u></u>
Pro Forma Coverage (x)	<u><u>1.346</u></u>

(Prepared without audit, subject to comments of transmittal letter.)



CITY OF FORT WAYNE  
Fort Wayne, Indiana

Water Pollution Control Utility  
Supplemental Information

The Fort Wayne Water Pollution Control Utility (WPC) has been heretofore designated as a regional sewage treatment plant by the U. S. Environmental Protection Agency (EPA). State and federal grants of \$31,000,000 were applied to a construction project completed in 1979 designed to upgrade the quality of effluent discharged into local streams from the City of Fort Wayne and environs and to increase plant capacity to 60 MGD (twice prior capacity).

Concurrently with the treatment plant construction the City has undertaken an interceptor extension and replacement program subject to additional state and federal grants totalling about \$40,000,000. The City's share of this construction has been partially financed by internally-generated funds but in large part will be paid for as constructed out of proceeds of the revenue bond sales now pending.

Under the regional plant designation, the WPC has entered into bulk sewage treatment contracts with the City of New Haven, Towns of Leo and Grabill, certain rural sanitary districts and one major investor-owned suburban sewage utility.

During 1981 the WPC added 6,200 sewer users by purchasing the plant and property of Diversified Utilities which served St. Joe Township in Allen County. This increased total WPC users to about 62,000, comprised of about 350 industrial users, 6,000 commercial, and the remainder residential. In addition the City will add approximately 2,350 more users in 1982, 1983 and 1984 as a result of the interceptor extensions referred to above.

The City owns and operates a municipal waterworks which in 1978 increased its capacity to 72 MGD (twice prior capacity). Billings for water and sewer service are billed jointly by the City-operated data processing division. The City water utility serves users in Allen County as well as in the City. A large majority of users of City utility services are joint users, the water utility serving slightly more than 62,000 users including nearly 7,000 acquired from Diversified Utilities in 1981.

CITY OF FORT WAYNEWater Utility  
Comparative Balance Sheet

	December 31,	
	<u>1981</u>	<u>1980</u>
<u>ASSETS</u>		
<u>Utility Plant</u>		
Utility Plant in Service	\$ 64,828,903	\$ 44,626,986
Less Accumulated Depreciation	(13,753,450)	(12,986,126)
Total Utility Plant	<u>51,075,453</u>	<u>31,640,860</u>
<u>Construction Work in Progress</u>	<u>103,059</u>	<u>15,808,295</u>
Net Utility Plant	<u>51,178,512</u>	<u>47,449,155</u>
<u>Sinking Fund</u> - Cash & Investments	<u>2,853,263</u>	<u>2,755,358</u>
<u>Depreciation Fund</u> - Cash & Investments	<u>1,023,839</u>	<u>537,611</u>
<u>Construction Fund</u>	<u>0</u>	<u>4,014,581</u>
<u>Current and Accrued Assets</u>		
Cash and Temporary Cash Investment	315,802	289,870
Accounts Receivable	1,071,231	923,252
Provision or Uncollectible Accounts	(26,827)	(31,080)
Receivables From Associated Companies	11,955	55,425
Materials and Supplies	793,297	595,355
Prepaid Insurance	67,758	51,822
Interest Receivables	<u>24,082</u>	<u>34,134</u>
Total Current and Accrued Assets	<u>2,257,298</u>	<u>1,918,778</u>
<u>Deferred Debits</u>		
Unamortized Debt Discount and Expense	210,553	227,113
Miscellaneous Deferred Debits	<u>11,903</u>	<u>19,839</u>
Total Deferred Debits	<u>222,456</u>	<u>246,952</u>
TOTAL ASSETS	\$ <u>57,535,368</u>	\$ <u>56,922,435</u>

	December 31, 1981	1980
<u>LIABILITIES AND EQUITY</u>		
<u>Equity of Municipality</u>		
Equity of Municipality	\$ 601,034	\$ 601,034
<u>Retained Income</u>		
Balance Beginning of Year	19,219,119	17,920,261
Net Income (Loss)	222,124	1,298,858
Total Retained Income	19,441,243	19,219,119
Total Equity of Municipality	20,042,277	19,820,153
<u>Long Term Debt - Revenue Bonds</u>	22,025,000	22,560,000
<u>Current and Accrued Liabilities</u>		
Current Portion - Long Term Debt	535,000	510,000
Accounts Payable	354,367	498,097
Payable to Associated Companies	304,649	144,074
Customer Deposits	216,573	156,463
Payroll Taxes Accrued	65,072	54,846
Employee Payroll Deductions	35,572	30,078
Miscellaneous Accrued Liabilities	112,255	83,171
Accrued Bond Interest Payable	687,279	703,141
Operating Reserves	20,988	17,359
Total Current and Accrued Liabilities	2,331,755	2,197,229
<u>Deferred Credits - Advances for Construction</u>	52,529	48,359
<u>Contributions in Aid of Construction</u>	13,083,807	12,296,694
TOTAL LIABILITIES AND EQUITY	\$ 57,535,368	\$ 56,922,435

(Prepared without audit, subject to comments of transmittal letter.)

CITY OF FORT WAYNE  
Fort Wayne, Indiana

Water Utility Combined Amortization Schedule  
Revenue Bonds of 1967, 1968 and 1978

<u>Date</u>	<u>Bonds Outstanding</u>	<u>Principal and Interest 1967, 1968</u>	<u>1978</u>	<u>Total Annual Requirement</u>
1/1/83	\$ 22,025,000	\$ 456,095	\$ 1,437,463	\$ 1,893,558
1/1/84	21,455,000	455,332	1,431,813	1,887,145
1/1/85	10,855,000	454,045	1,439,306	1,893,351
1/1/86	20,210,000	442,495	1,439,606	1,882,101
1/1/87	19,535,000	440,740	1,443,325	1,884,065
1/1/88	18,815,000	428,780	1,445,338	1,874,118
1/1/89	18,060,000	426,560	1,445,075	1,871,635
1/1/90	17,260,000	423,820	1,442,538	1,866,358
1/1/91	16,415,000	420,560	1,442,563	1,863,123
1/1/92	15,520,000	416,780	1,439,988	1,856,768
1/1/93	14,575,000	412,480	1,441,450	1,853,930
1/1/94	13,575,000	407,660	1,446,750	1,854,410
1/1/95	12,515,000	402,320	1,449,050	1,851,370
1/1/96	11,395,000	396,460	1,443,500	1,839,960
1/1/97	10,220,000	399,820	1,440,100	1,839,920
1/1/98	8,975,000	402,140	1,438,550	1,840,690
1/1/99	7,655,000	403,420	1,375,500	1,778,920
1/1/00	6,320,000	461,900	1,373,238	1,835,138
1/1/01	4,845,000	0	1,819,388	1,819,388
1/1/02	3,290,000	0	1,810,225	1,810,225
1/1/03	1,640,000	0	1,693,300	1,693,300
		<u>\$ 7,651,407</u>	<u>\$ 31,138,066</u>	<u>\$ 38,789,473</u>
		<u>- - - - - Divide by 21 years- - - - -</u>		
Average Annual Requirement				<u>\$ 1,847,118</u>

(Prepared without audit, subject to comments of transmittal letter.)

CITY OF FORT WAYNE  
Fort Wayne, Indiana

Water Utility  
 Comparative Statement of Net Operating Revenues

	Years Ended December 31,	
	<u>1981</u>	<u>1980</u>
<u>Revenues</u>		
Operating Revenues	\$ 8,762,102	\$ 8,475,226
Interest Income	869,627	1,304,776
Other Income	<u>68,870</u>	<u>85,280</u>
Total Revenues	<u>9,700,599</u>	<u>9,865,282</u>
<u>Net Operating Expenses</u>		
Operations	4,808,991	4,405,165
Maintenance	1,486,352	1,216,623
Depreciation	919,254	896,530
Taxes - State and Federal	343,477	279,444
- Paid to Civil City	<u>451,176</u>	<u>331,104</u>
Net Operating Expenses	<u>8,009,250</u>	<u>7,128,866</u>
Net Operating Revenues	\$ <u>1,691,349</u>	\$ <u>2,736,416</u>

(Prepared without audit, subject to comments of transmittal letter.)

CITY OF FORT WAYNE  
Fort Wayne, Indiana

Water Utility  
Schedule of Present and Proposed Rates

		<u>Present Rates</u>	<u>Proposed Rates (1)</u>
(a)	Metered Rates Per 100 Cu. Ft. Per Month		
	First 500 cu. ft.	\$ .912	\$ 1.000
	Next 1,500 cu. ft.	.703	.770
	Next 2,500 cu. ft.	.587	.643
	Next 7,500 cu. ft.	.541	.593
	Next 18,000 cu. ft.	.464	.509
	Next 20,000 cu. ft.	.394	.432
	Next 50,000 cu. ft.	.348	.381
	Next 50,000 cu. ft.	.278	.305
	Over 150,000 cu. ft.	.255	.279
(b)	Monthly Minimum Rates		
	5/8 inch	4.56	5.00
	3/4 inch	7.11	7.80
	1 inch	11.59	12.70
	1 1/2 inch	23.11	25.30
	2 inch	35.55	39.00
	3 inch	71.11	77.95
	4 inch	118.33	129.70
	6 inch	224.84	246.40
	8 inch	328.80	360.35
	10 inch	493.11	540.45
(c)	Municipal Hydrant Service		
	Per Hydrant - Per Annum	151.20	165.75
(d)	Private Fire Protection Service		
	Per Annum - Fire Hydrant	151.20	165.75
	2 inch	16.80	18.40
	3 inch	37.80	41.45
	4 inch	67.20	73.60
	6 inch	151.20	165.75
	8 inch	258.80	283.65
	10 inch	420.00	460.30
	12 inch	604.80	662.85
	16 inch	1,075.20	1,178.40

(1) Adopted by Common Council on May 25, 1982. Effective date pending hearing and confirming Order of Public Service Commission of Indiana.

(Prepared without audit, subject to comments of transmittal letter.)

CITY OF FORT WAYNE  
Fort Wayne, Indiana

Water Utility  
 Pro Forma Statement of Net Operating Revenues

Gross Operating Revenues

Metered and Unmetered Sales	\$ 8,109,925
Sales to Public Authorities	146,934
Sales for Resale	168,665
Interdepartmental	12,158
Inbalco Sales	689,676
Fire Protection - Public	629,408
- Private	194,628
Miscellaneous Revenues	151,412
Other Income	31,472
Interest Income	<u>380,460</u>
Total Gross Operating Revenues	<u>10,514,378</u>

Net Operating Expenses

Operations	5,010,095
Maintenance	1,494,824
Capitalized Expenses	(198,000)
Depreciation and Amortization	998,845
Taxes - State and Federal	365,000
- Paid to Civil City	<u>496,038</u>
Total Net Operating Expenses	<u>8,166,802</u>

Pro Forma Net Operating Revenues	\$ <u><u>2,347,576</u></u>
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(Prepared without audit, subject to comments of transmittal letter.)



CITY OF FORT WAYNE  
Fort Wayne, Indiana

Electric Utility  
Balance Sheet  
December 31, 1981

ASSETS

Utility Plant	
Utility Plant	\$ 28,776,539
Less Accumulated Provision for Depreciation	(18,290,030)
Net Utility Plant	<u>10,486,509</u>
<u>Current and Accrued Assets</u>	
Cash and Temporary Investments	3,264,544
Fort Wayne Community Trust Fund	1,624,248
Accounts Receivable	68,981
Accumulated Provision for Uncollectible Accounts	(2,216)
Receivables From Associated Companies	1,022,591
Materials and Supplies	986,388
Prepaid Insurance	18,172
Interest Receivable	<u>18,937</u>
Total Current and Accrued Assets	<u>7,001,645</u>
TOTAL ASSETS	\$ <u>17,488,154</u>

LIABILITIES AND EQUITY

<u>Equity of Municipality</u>	
Equity of Municipality	\$ 4,602,521
Total Retained Earnings	<u>12,461,719</u>
Total Equity of Municipality	<u>17,064,240</u>
<u>Current and Accrued Liabilities</u>	
Accounts Payable	224,863
Payable to Associated Companies	26,085
Customer Deposits	7,664
Miscellaneous Current and Accrued Liabilities	<u>165,302</u>
Total Current and Accrued Liabilities	<u>423,914</u>
TOTAL LIABILITIES AND EQUITY	\$ <u>17,488,154</u>

(Prepared without audit, subject to comments of transmittal letter.)

CITY OF FORT WAYNE  
Fort Wayne, Indiana

Electric Utility  
Statement of Net Revenues  
Year Ended December 31, 1981

<u>Revenues</u>	
Lease Revenue	\$ 1,490,000
Interest Income	445,944
Miscellaneous Revenues	<u>77,079</u>
Total Revenues	<u>2,013,023</u>
 <u>Operating and Maintenance Expenses</u>	
Maintenance Expenses	340,557
Street Lighting Engineering	172,592
General and Administrative Expenses	292,227
Taxes - State and Federal	11,340
- Paid to Civil City	<u>10,118</u>
Total Operating Expenses	<u>826,834</u>
 Net Revenues	 \$ <u>1,186,189</u>

(Prepared without audit, subject to comments of transmittal letter.)

CITY OF FORT WAYNE  
Fort Wayne, Indiana

Supplemental Data -  
International Harvester Corporation Debt Guarantee

As of the date of this report, the City of Fort Wayne, jointly with Allen County and the State of Indiana, has agreed in principle to guarantee certain proposed sale and lease-back obligations of International Harvester Corporation (hereafter IHC) in order to help improve the liquidity and profitability of IHC, the largest employer in Allen County and the environs of Fort Wayne.

The City's portion of the \$9,200,000 loan guarantee package is not to exceed \$3,000,000 and is secured by a pledge of the corpus, investment income and annual revenues of the City of Fort Wayne Community Trust (hereafter Trust). The Trust is a voluntary, revocable fund set up by the City to conserve not to exceed \$270,000 City Light lease funds per annum. These funds are paid out of proceeds accruing annually from a certain lease contract with Indiana & Michigan Electric Company (I&M). The lease, the first 35 year term of which terminates in 2009, requires the payment of \$55,650,000 by I&M to the City on a graduated payment scale. Annual payments in the 1980-1984 period are \$1,490,000 and increase \$50,000 per annum in each five year period thereafter to maturity. The Trust is administered by a board of local citizens and public officials subject to an independent investment adviser and the Common Council of the City.

As of May 31, 1982 the Trust had a balance of cash and investments of \$2,323,076. It is anticipated that the ultimate agreement with IHC will require a ten year commitment from the Trust with guarantee liability during the term of the commitment reducing annually over the ten year term from a maximum of \$3,000,000.

## **APPENDIX B**

**RICHARD E. WALKER**  
*Certified Public Accountant*

521 E. STATE BLVD.  
Fort Wayne, Indiana 46805

July 7, 1982

Common Council  
City of Fort Wayne  
Fort Wayne, Indiana 46802

Gentlemen and Madam:

Pursuant to your request, in connection with the City's proposed issuance of \$4,000,000 Sewer Connection Revenue Bonds of 1982 and \$3,400,000 Sewage Works Revenue Bonds of 1982 (hereafter "Bonds of 1982"), I have analyzed the financial statements and other data relating to the financial position and operations for the period ending December 31, 1981 of the sewage works owned and operated by the City of Fort Wayne. The purpose of my analysis was to determine if the City had met the provisions of Ordinance No. S-420 adopted by the Common Council of the City of Fort Wayne on October 27, 1959 relating to requirements precedent to the subsequent issuance of revenue bonds ranking on a parity with revenue bonds issued pursuant to said Ordinance and now outstanding, as well as revenue bonds issued by the City in 1961, 1970 and 1975 which are now outstanding and which rank on a parity with said 1959 Bonds.

The text of Ordinance No. S-420 which specifies conditions under which parity bonds may be subsequently issued is as follows:

Sec. 13. The City reserves the right to authorize and issue additional bonds, payable out of the revenues of its sewage works, ranking on a parity with the bonds authorized by this ordinance, for the purpose of financing the cost of future additions, extensions and improvements to the sewage works, subject to the following conditions:

(a) The interest on and principal of all bonds payable from the revenues of the sewage works shall have been paid to date in accordance with the terms thereof.

(b) As of the date of issuance of such additional bonds, the balance in the Sewage Works Sinking Fund shall equal not less than the principal and interest requirements of the then outstanding bonds payable during the then next succeeding twelve (12) calendar months.

(c) The net revenues of the sewage works in the fiscal year immediately preceding the issuance of any such bonds ranking on a parity with the bonds authorized by this ordinance shall be not less than one hundred twenty-five per cent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional parity bonds proposed to be issued; or, prior to the issuance of said parity bonds, the sewage rates and charges shall be increased sufficiently so that said increased rates and charges applied to the previous fiscal year's operations would have produced net revenues for said year equal to not less than one hundred twenty-five per cent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional parity bonds proposed to be issued. For purposes of this subsection, the records of the sewage works shall be analyzed and all showings shall be prepared and certified by a certified public accountant employed by the City for that purpose, who

July 7, 1982

shall certify that he has no pecuniary interest in said additions, extensions or improvements, or the financing thereof, other than to analyze said records and prepare said showings.

(d) The interest on said additional bonds shall be payable semi-annually on February 1 and August 1 and the principal thereof shall be payable annually on August 1.

Based on my analysis, it is my opinion that the City of Fort Wayne has complied with the requirements of Section 13 of Ordinance S-420 as well as similar provisions of the Ordinances authorizing issuance of revenue bonds in 1961, 1970 and 1975 pursuant to revenue bonds now issued and outstanding in the aggregate amount of \$10,580,000 for the purposes of concurrently issuing the Bonds of 1982, hereinbefore referred to in the aggregate amount of \$7,400,000, ranking on a parity with said revenue bonds now issued and outstanding in accordance with said Ordinances.

The requirements of Section 13 of Ordinance S-420 and the Ordinances authorizing the Bonds of 1961, 1970 and 1975 which have been satisfied by the City of Fort Wayne on which my opinion has been based are as follows:

1. The interest on and principal of all bonds payable from the revenues of the sewage works have been paid in accordance with the terms thereof.

2. The present balance in the Sewage Works Sinking Fund is not less than the principal and interest requirements of the presently outstanding bonds payable during the next succeeding twelve (12) calendar months.

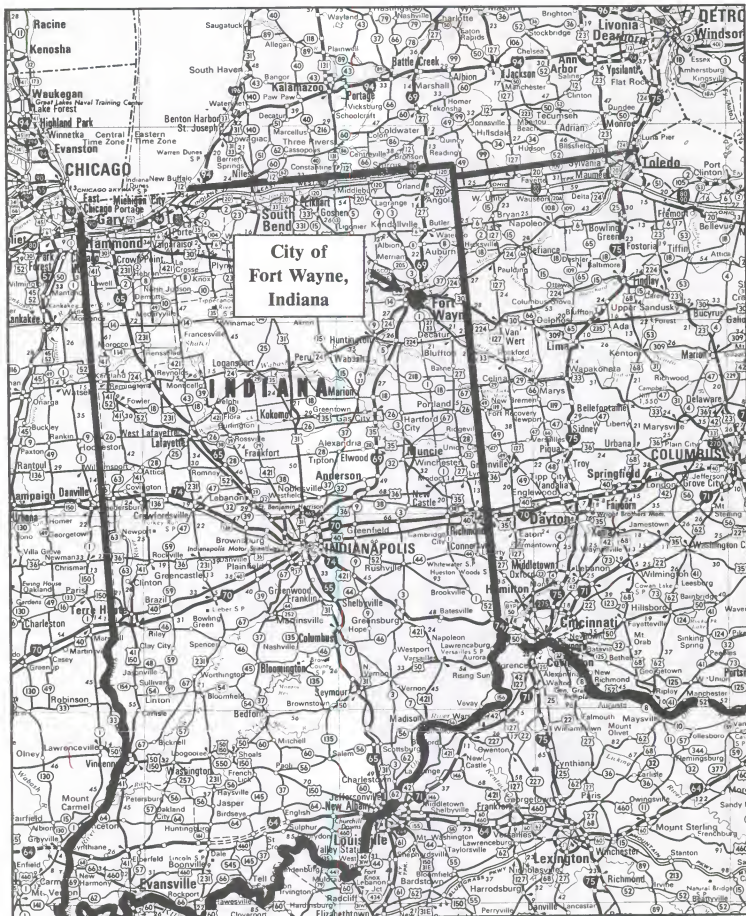
3. The net revenues of the sewage works in the fiscal year ended December 31, 1981 when adjusted for the increased rates imposed by Special Ordinance No. S-92-82 and Special Ordinance No. S-233-81 adopted by the Common Council of the City of Fort Wayne on May 25, 1982 and October 27, 1981, respectively, are not less than one hundred twenty-five per cent (125%) of the maximum annual principal and interest requirements of the presently outstanding bonds and the bonds now proposed to be concurrently issued. Further, I hereby certify that, in respect of the foregoing opinion, I am a certified public accountant licensed to practice in the State of Indiana and have been employed by the City for purposes of rendering such opinion and that I have no pecuniary interest in the additions, extensions or improvements for which the Bonds of 1982 are being issued, or the financing thereof, except to review the records of the Sewage Works of the City of Fort Wayne and formulate my opinion expressed thereon as represented herein.

4. The interest on the Bonds of 1982 proposed to be issued are payable semi-annually on February 1 and August 1 and the principal of said Bonds of 1982 are payable annually on August 1.

Very truly yours,



Richard E. Walker



DIGEST SHEET

(As amended)

1-82-05-06

TITLE OF ORDINANCE SpecialDEPARTMENT REQUESTING ORDINANCE City UtilitiesSYNOPSIS OF ORDINANCE An Ordinance authorizing the City of Fort Wayneto issue \$1.44 Million of City of Fort Wayne Junior WaterworksRefunding Revenue Bonds of 1982 for the purpose of completing thefinancing of Imbalco.EFFECT OF PASSAGE Permanent financing of Imbalco and repayment ofshort term obligations.EFFECT OF NON-PASSAGE None of the above.MONEY INVOLVED (DIRECT COSTS, EXPENDITURES, SAVINGS) \$1.44 Million plusinterest to be paid out of City Utilities waterworks revenues from  
waterworks customers.

ASSIGNED TO COMMITTEE (PRESIDENT) \_\_\_\_\_